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CANADA'S WEEKLY NEWSMAGAZINE

JUNE 19, 1995 \$3.50

# Maclean's

**STORY MIKE HARRIS  
PREPARES  
TO CUT TAXES  
AND PROGRAMS**

**WHY ONTARIO  
JOINED THE  
MOVE TO  
THE RIGHT**

**MIKE  
THE  
KNIFE**

Ontario  
premier-  
designate  
Mike Harris



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JUNE 11, 1995 VOL. 136 NO. 23

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**COVER STORY** (continued from page 10) The cover story continues on page 10.



MIKE HARRIS (C) WITH HIS WIFE AND DAUGHTER

## Mike the knife

**10** Promising to cut welfare benefits, scrap employment equity, repeal pro-labor legislation and lower taxes, Ontario Conservative Leader Mike Harris swept to victory in last week's provincial election. For a province that has generally embraced moderate, middle-of-the-road solutions, Harris's goals represented a breathtaking turn to the right.

## The last best place



**22** The Group of Seven summit focuses international attention on Halifax at a time when the venerable old city is dealing with new energy. The leaders will discuss issues from Bosnia to the reform of world financial institutions.

## The winning brew

**44** Belgium's Interbrew claimed Canada's second-largest brewer with a \$5.7-billion bid that dwarfed a hostile domestic bid. Labatt is now set to shed its television networks and sports teams, including the Toronto Blue Jays and the CFL Argonauts, while its beer brands will be added to Interbrew's global stable.



PHOTOGRAPH BY JEFFREY M. HARRIS







# EVENING NOTES

## Rallying legal literacy

I was a gathering of leading legal don's, cops, entertainment, media and literary circles. Last week, Peter Gossow, chief of CBC Radio's *Morningdrive*, brought together VJs and personalities for the fifth playing of his annual old-fashioned, one-in-a-series that has raised more than \$500,000 for Frontier College, a national adult literacy program. The event included some cozy winter gill at The Biltmore in Jackson Park, Ont., northwest of Toronto and, after the night before, some absolutely top-of-the-line entertainment: Cape Breton fiddler Ashley MacIsaac played up a storm, while author Margaret Atwood delivered a witty essay on, like, the corruption of English usage. eh? At the end of a special segment, journalist Patricia Mallon walked over to her well-challenged "host," Roger Abbott of the *Real Canadian 90.1* radio, and declared: "I've always wanted to do that past time"—an event reference to Peter MacIsaac, her former co-host on CBC TV's *Power Time* News, the show from which she was ousted in April.

Amid all the cheer and wit, however, some glances, but, heartily, speech stood out. Margaret Atwood, who has written a novel about the war against literacy, claimed that literacy classes two years ago after

her war, Rose McCrory, of Picton, N.S., said she could not make any sense of her letters. Olan's description of her, better life moved many of the audience to tears. "Afterwards, people I never met before were coming up to me, and hugging me, and telling me how proud they were of me," Olan says. "I wish I had wanted to read long ago."

Gossow: Olan has a pleasant, heartily speech among the audience.



## Honorable mentions

Among the young students graduating from Canadian universities this spring are more established personalities, receiving honorary degrees for their contributions to Canadian life. The third in a series of Maclean's awardships of this year's honorary degree recipients:

**Irene Carleton**, the former federal cabinet minister, and president of the Liberal party from 1982 to 1986, was the first woman president of a

national political party in Canada. (Simon Fraser University, Burnaby, B.C.)



**Gillies Carle**, the acclaimed Quebec film

critic and producer.



McCrory: Looking for evidence of the persistence of literacy.

## Chronicling the weird and wonderful

Roger McCrory says that he was only five years old when he first started an alien space. "Starting out of my bedroom window, I saw a ship shaped thing with little round portholes floating across the sky," recalls the former *Maclean's* columnist. "I knew what I saw was not from this realm—I knew I saw a UFO." Now 43 and living in St. Catharines, Ont., McCrory says that he is not alone. "It's an amazing number of people have been touched by a personal experience." And now, with the popularity of Fox TV's drama *The X-Files*—the "X" stands for the unknown—McCrory says the time is right to reach out to such people with his new monthly tabloid, *The X Chronicle*. Like the television show, the publication is devoted to UFO, alien, ghost, and things that go bump in the night—but with the aim of being as factual as possible. "Our paper is not going to be like the *National Enquirer* with alien on the cover," he says. "We'll, maybe not alien—but alien stuff." The first issue, published in May, features photos of over-sized skulls above the headline: "Proof of a mass of ancient astronauts." Another story attempts to prove that the Great Lakes are more mysterious than the fabled Bermuda Triangle. McCrory is unlikely to run out of topics for future issues. Last year alone, he says, the National Research Council of Canada, the Ottawa-based federal government research and development organization, received 165 reports of UFO sightings in Canada. The *X Chronicle* plans to continue investigating those close encounters of the Canadian kind.

**Free Eleanor Mills**, official Dominion sculptor whose traces in the lobby of the House of Commons depicts the history of Canada. (York University, Toronto)

**William Thornell**, the cartoonist, also-said award-winning journalist is editor-in-chief of *The Globe and Mail* in Toronto. (University of Alberta, Edmonton)

**Yves Leclerc**, president and chief executive officer of Windsor, Ont.-based Chrysler Canada. (University of Windsor)

## A new twist for the musical ride?

The red serge jackets of RCMP officers mounted on their black horses are a familiar sight during the summer tourist season on Parliament Hill. But since the beginning of the month, riders in Ottawa have been able to see Mounted police something a little different—bicycles. John Dube is in charge of the experiment, in which five Mounted on bikes will patrol federal government buildings, the homes of the



McCrory: Looking for evidence of the persistence of literacy.

Governor General and Prime Minister on Sussex Drive, and on horses and diplomatic residences on exclusive Rideau Park. "The bikes are going to give us lots of exposure," says Dube. "They are not as cold and unapproachable as a police car." Mounted forces across Canada have had great success with cops on horses, he adds, noting that the RCMP is convinced of the practicality of two-wheeled transport. "It hasn't escaped our attention," he says, "that bicyclist officers move faster than cars through heavy traffic." While the Mounted cyclists have not yet made an arrest, their first work leading a crowd on the Hill—a 7000-demonstration last week—proceeded without incident. And Dube appears confident that when needed, these Mounted, too, will get their own man.

Mounted on bicycle patrol in Ottawa: Lots of exposure?

## Wanted: a lawyer who can laugh

One might think that a modest toll, yet such red-dressed in headlines would stir any lawyer's heart. But when the Law Society of Upper Canada, the governing body for Ontario lawyers, looks at an action of 88 lawsuits by lawyers and judges to raise money for a children's charity, the *Lawyers' Guild* by Free College, an amateur and former criminal lawyer who now is legal fees, was one of the few cases that did not find alone. Overall, the action was a success, raising \$20,000—more what organizers had expected—refunding the top price of \$2,500 paid for a Manitoba land-crisis at the St. John's. Doctors treated Graham for a bleeding ulcer and said he could continue with his speaking schedule.

any interest in giving the experience to with a vacuum-cleaner-like ad a new case. Said an organizer Graham: "There was a real lack of any sense of humor about the 'pore'." Toronto's financial community was similarly humorless. Sharp tried to lead the radical a home with supporters of the annual demonstration, but was arrested by the Bay Street Bar Room, but he asked: "The first plan to give the sculpture to a friend who is willing to deal with the art problem."

Artist Gaudy's Lawyer/Rat lawsuit

Edited by BARBARA WICKEN

## PASSAGES

**OLD** Charles Ritchie, 86, one of Canada's leading diplomats in the postwar era, who later achieved literary acclaim as a diarist, at his house in Ottawa. Ritchie, an external affairs colleague of former prime ministers Louis St. Laurent and Lester Pearson, served as ambassador to Germany, the United Nations and the United States, and as high commissioner to London, where he was called upon for most of the Second World War. After his retirement in 1973, he published the first four volumes of witty, gossip and insightful diaries, *The Secret Years*, which won a Governor General Award.



**RECOVERING** Mickey Mouse, 63, the legendary former New York Yankee, from an emergency liver transplant operation, in a Dallas hospital. Doctors said Mickey's 40 years of alcohol abuse, and cancer, had so damaged his liver that he had only several weeks to live without a new organ, but predicted that his chances of recovery were now excellent.

**RELEASED** Evangelist Billy Graham, 76, from a three-day hospital visit, after collapsing during a Toronto keynote speech just hours before he was to speak at the St. John's. Doctors treated Graham for a bleeding ulcer and said he could continue with his speaking schedule.

**AWARDED** To Roy Buchanan, 35, the author of convicted killer Helmut Bushman, \$200,245 in damages as a result of winning, in a 34-year-old, his wife's murder by a masked gunman. A London, Ont., jury rejected the older Bushman's defense that he was innocent of the first he planned the killing.

**RETURNING** Former number 1 ranked tennis ace Marion Jones, 24, to public competition, for the first time since April 1984, when she was stabbed in the shoulder during a tournament in Hamburg. Jones has agreed to play Martina Navratilova in an exhibition match on July 29 in a step towards possible return to tournament play.

## BEST-SELLERS

- FICTION**
1. *The Piano Man's Daughter*, Timothy Findley (3)
  2. *The Grapes of Matheson County*, James Alan McPherson (1)
  3. *The Goodbye People*, John Lebel (1)
  4. *The Spoken Word*, John Lebel (1)
  5. *The Rainmaker*, John Lebel (1)
  6. *Requiem*, Les Line (1)
  7. *The Wrecked*, John Lebel (1)
  8. *The Secret Word*, John Lebel (1)
  9. *The Line of Affection*, Guy Vanderhaeghe (1)
  10. *Monterey*, Douglas Coupland (1)

- NONFICTION**
1. *Being Digital*, Nicholas Negroponte (1)
  2. *The Grapes of Matheson County*, James Alan McPherson (1)
  3. *The Goodbye People*, John Lebel (1)
  4. *The Spoken Word*, John Lebel (1)
  5. *The Rainmaker*, John Lebel (1)
  6. *Requiem*, Les Line (1)
  7. *The Wrecked*, John Lebel (1)
  8. *The Secret Word*, John Lebel (1)
  9. *The Line of Affection*, Guy Vanderhaeghe (1)
  10. *Monterey*, Douglas Coupland (1)

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1. *Being Digital*, Nicholas Negroponte (1)
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  4. *The Spoken Word*, John Lebel (1)
  5. *The Rainmaker*, John Lebel (1)
  6. *Requiem*, Les Line (1)
  7. *The Wrecked*, John Lebel (1)
  8. *The Secret Word*, John Lebel (1)
  9. *The Line of Affection*, Guy Vanderhaeghe (1)
  10. *Monterey*, Douglas Coupland (1)

1. *Being Digital*, Nicholas Negroponte (1)

# We're Number One!



That's what we hear from our 2.3 million readers each week—the largest single news audience in the country.

And last week that's what our peers told us. Maclean's is proud to have been chosen by the Canadian Society of Magazine Editors as the

**"Best Magazine of the Year"**

among publications with circulation over 150,000.

The annual award means a lot to us. Getting kudos from your peers is the highest form of flattery. In addition to overall editorial quality, the judges cited our lively letters section. Thanks to you, our loyal readers, for keeping us on our toes.

**Maclean's**  
What Matters to Canadians

## ANOTHER VIEW



# The real threat to Canada's future

BY CHARLES GORDON

**I**n Ottawa last month, there was a big controversy about a windmill. The Dutch Canadian community wanted to have one on the people of Ottawa. In gratitude for Canada's help in liberating Holland in the Second World War, but the National Capital Commission (NCC), which controls many of the public spaces in the city, rejected the idea, fearing it would be too big, leaving vandalism, fraying wires, tearing all the things that bureaucrats fear, many of which would mean nothing to you.

We haven't done, perhaps. When you think of all the things we need in Canadian society, a windmill does not spring immediately to mind. As might have been predicted, however, the people of Ottawa loved the idea. About 2,000 of them phoned the Ottawa Citizen Touchline and voted it 1 to 1 in favor of the windmill. The NCC appears to have changed its mind, and Ottawa will probably have a windmill after all. Perhaps homeless people can sleep in it.

We are stronger folks. We believe in what we do. And Forrest Gump. We believe in patriotism, capitalism and The Bridges of Madison County. Yet we also, on the evidence of the Ottawa election results, believe in punishing people on windmills.

We got rattled over *Paid of Dreams* and the rocky ball parks at the minor leagues at the same time as we curse the millionaires who play the same game at the major-league level.

We are cynical about politicians and distrustful of institutions. Yet what disturbs us about politicians is not that they can spend on schools and hospitals, but that they have pension plans. What angers us about banks is not bank profits and mortgage rates but the salaries of bank presidents.

It is on the personal, not the policy, level that the last straw breaks for us. A good argument can be made that what did kill Mulroney was not his tax policy or the GST but the Queen shows and the imperial style.

What brings us to Jean Chrétien, a man who seems to ride above all this cynicism and distrust on his own cloud? It cannot be because of his policies, for they are about the same as the ones Mulroney and his gang put in. So it must be a question of personal style. Chrétien would not have Gucci shoes, Chrétien would not have a hair air plane, a big limousine, a fancy hotel suite. If so it is perceived. He is honest, ordinary. He is like us.

It is that all that why Chrétien is immune from the cynicism? It is, I feel. More people should be like us, and it wouldn't hurt if more politicians, bank presidents and baseball players tried. The question is whether they all have to take vows of poverty in order to do so. May a cabinet minister fly first class on a government business? May a bank president live in a big house? May a baseball player earn more than a teacher?

For that matter, may a teacher take the summer off? May a doctor drive a big car? Can a police officer be believed? The cynicism is rooted just as heavily against them as against the famous and powerful.

How did we get to a place where we automatically presume the worst of everyone but

Forrest Gump or Jean Chrétien? And how do we get away from it? How do we get to the point at which we can believe people as much as we distrust windmills.

First, identify the cause. The news media are easy suspects. George Bush, who annoys media for his magazine, has eloquently attacked the cynicism of political reporters in this country. In his book *Goodbye to the Media* (Doubt the News), published last year by Ray Porter, Bush launched the timidity of reporters "to look upon politicians as the foe, to consider mutually tolerant relationships with politicians as incapable of being maintained except at the expense of journalistic independence and to see the natural condition between the two as a war in which the media must be on endless search-and-destroy missions." Still, the media rarely lead public opinion, by much, and if public opinion reacted against what it was being fed by the media, the media would change the diet rapidly.

The negativity of the media finds a responsive audience. And that feeds more negativity, notably the U.S. style sensationalism of 60 Minutes and the tabloid TV shows. As long as politicians still tell for it, it will keep coming. And as long as it keeps coming, it will keep coming. It is, in fact, more cynical. A search for scapegoats becomes inevitable. This year welfare recipients make your wish?

The cycle has to be broken if we are to avoid repeating ourselves again. Our society would function better and be an infinitely more pleasant place if cynicism were not the prevailing ethic. How should, for a start, accepting the idea that people at the bottom of the economic scale are not there because they enjoy it. After that, we can move on to the idea that the people at the top might actually be decent human beings who don't necessarily cheat to get there.

We then arrive at a state of mind in which all profit is not automatically extortion and all welfare is not automatically fraud. We can then add to it some old-fashioned ideas, such as the one about a man being innocent until proven guilty. Then, we can switch out for those who transgress, reminding ourselves of the whole what that old phrase: "The benefit of the doubt" means.

If we can believe in windmills, we can do this.

If we don't, much for the disappointment of Chrétien's death. When that happens, it will not be because the dollar falls, or the dollar rate rises, it will not be because people are out of work or out of clean water. It will be because Chrétien began a new walk, taken a holiday, or the same old story is discovered to have a grain of truth in too good.

The fall of one person is not important in itself. The country can survive. What a cruel irony is losing any more innocent victims to the rapacious of the age. That is as true in business, sports, medicine, education and the arts as it is in politics. Cynicism will destroy this country before aspirators ever does.

# MIKE THE KNIFE

## Ontario's new premier has a mandate to cut taxes and slash government

BY MARY JAMIGAN

I was, as Mike Harris always predicted, nothing less than a revelation. In his Tory pin-striped suit, against a T-shirt backdrop, the Conservative leader coolly repeated the promises that had just swept him to victory in Canada's most populous province—and which would send shock that the governing New Democrats had done. He would cut welfare benefits, scrap employment equity, repeal pro-labor legislation, slash spending and cut taxes. For a wealthy, affluent province that has quietly embraced modern, middle-class road solutions, Harris's goals represented a breathtaking turn to the right. The sheer mystery of the shift seemed to overshadow even the premier-designate. Scrambling for his clearest slogan, *Common Sense*, For A Change, a addressing his chief rival stood at a hall with his North Bay home. Harris nodded: "Sense may call us victorious. To truth, we are fortunate to have been honored with your trust." Then he pointedly added: "You have voted for major change. Your mandate is a direct action to fix a government that isn't working for you any more."

The results indeed signalled a major change for the formerly steel Ontario. In a province where the Progressive Conservatives held power for 42 years, from 1942 to 1955, voters have recently switched allegiances with an alacrity that could cause whiplash five years ago, they awarded a majority to Premier Bob Rae and his New Democratic Party, tossing the Liberals out of office. Last week, Harris swept 82 of the 130 seats in the legislature, capturing 45 per cent of the popular vote. The Liberals, who had entered the election with a whopping lead in the polls, dropped to 30 from 34 seats, with 31 per cent of the vote. And, although Ontario's first socialist premier held his Toronto seat, the NDP plummeted to 17 seats—and a mere 20 per cent of the vote. The outcome was eloquent testimony to the toll that the recession has taken on the confidence and tolerance of voters. "This is goodbye to the age of the presumption of prosperity, and welcome to the age of anxiety and change," says pollster Michael Adams, president of Eastenders Research Group Ltd. "If Liberals and politicians in Ontario were once heard, heard as no longer heard."

Ontario's decision has deep implications for the Liberal government in Ottawa and for the nine other provincial governments. Harris has promised to cut provincial income tax rates by 20 per cent over the next four years—and he has vowed to resist, with directness, any federal

attempt to divert those savings to its own coffers. Those threats will strengthen federal Finance Minister Paul Martin as he attempts to resist his cabinet colleagues' desire to balance budgets with tax increases. Harris has also vowed to restore Ontario's competitive position among the other provinces. He has promised cuts in payroll taxes, to bar his changes and a five-year freeze on hydro rates. By 1998-1999, if he keeps to his agenda, the province's personal income tax rate will be the lowest in Canada. And Harris has vowed to join Ottawa in merging the provincial sales tax with the federal sales tax, eliminating costly paperwork. Taken together, those changes could improve greater discipline on other provinces, notably Quebec, which have been slow to tackle their budget deficits. "I hate to sound like an arrogant Central Canadian but Ontario is Broadway—and these ideas are having Broadway," says Tory campaign chairman Tom Long. "If we can prove that it is possible to have a healthier government, with a more pro-private-sector oriented approach, that it is possible to do as a legislature, it will have obvious implications." Long adds that Harris has great admiration for premiers such as New Brunswick's Frank McKenna, who have already tackled their debts.



Harris and son Jeffrey, 3, aboard the Conservative campaign bus, scene of the party's frenzied sweep north of Toronto

During the Ontario election campaign, premier-designate Mike Harris won votes with promises to roll back several policies implemented by the defeated New Democratic government. Among the targeted programs:

### EMPLOYMENT EQUITY:

The NDP's Bill 79 requires public-sector employers with more than 10 workers, and private firms with more than 50 employees, to establish hiring targets for women, visible minorities, the disabled and aboriginals. Harris vowed to repeal the law, establish the commission that oversees the program and transfer a portion of its \$5.3-million budget to the Ontario Human Rights Commission.

### LABOR LAW: The Rae

government passed Bill 40 in 1992, banning the use of replacement workers during strikes and making it easier for unions to sign up new members. Harris pledged to repeal the law and remove many pro-union officials on the Ontario Labor Relations Board.

### WELFARE: Under the

NDP, welfare benefits increased by about 15 per cent—a total budget of \$8.1 billion for 1995-1996—while the province's cashed-out unemployed stood at 1.3 million people. Harris said he would reduce benefits by about the same amount and introduce "workfare"—requiring what he called "able-bodied" recipients to enroll in work and training programs.

### ADVOCACY COMMISSION:

Another NDP creation, the \$30-million-a-year agency enforces legislation protecting the rights of young people, nursing-home patients and others. The Tories have pledged to abolish it.

fully the pledge to institute radical changes in the welfare system. Harris has promised to cut \$2.25 billion from the \$6.3-billion annual social assistance budget, reducing benefits to 10 per cent above the national average. He would also require all accused side-benefit recipients, with the exception of single parents with young children, to work or be in school in order to qualify for benefits. He has promised to repeal NDP legislation that banned the use of strikebreakers in labor disputes. And he has vowed to scrap the employment equity law that requires private companies with 50 or more employees to establish hiring targets for visible minorities, aboriginals, disabled people and women—or face a maximum fine of \$50,000. And candidates from all parties agreed, many voters still harbored resentful memories of a provincial job advertisement in the Ontario public service publication, *Job Alert* in 1993 for a management board position that had excluded white English-speaking males.

Such actions could further strain the social fabric of Ontario, and perhaps the Tory party it self, when Harris summons the legislature for a summer session. Although anxious to defeat, Rae clearly brags applicants from his Toronto supporters who he pointedly observed: "We're related to single and the poor and the needy for government." Liberal leader Iain Stewart was more subtle—but her meaning was clear: "We will continue to offer a vision of a humane and compassionate society, a society that has a place in its heart for everyone." Strategists for both parties concluded that many voters were feeling hard-pressed, ill-treated and perhaps misinformed. Says former NDP federal secretary Gerald Caplan: "My personal opinion is that the voters have brought a bill of goods which says that, by looking up on others in worse shape than themselves, their rights will be improved. I think it's a widespread madness."

But there is little doubt that the Tories have a mandate to do what they have promised. Most days from all three parties told Maclean's that Conservative support ran deep among all income levels. That included the working poor, many of whom apparently support the fact that the combined value of social assistance payments and benefits in Ontario do not exceed their take-home pay. And while more men supported the Conservatives than women, by the end of the campaign the greater gap had narrowed to a few percentage points in private party polls. At the same time, the Tories enjoyed almost equal support among all age groups. Said defeated Toronto Liberal candidate David MacLaughlin: "There are two messages here. Don't underestimate the right-wing problem in this country. And don't underestimate the sub-progressive belief."

It was not enough to work out that way when Bob Rae called the election on April 28. There, the Liberals appeared so securely in first place that most party members were barely concerned for any such in the public mood. Private party polls on the brink of the defeat, and public polls during the 18 months prior to the election, indicated that voters would all the decided voters inclined the Liberals. The Tories



had 50 per cent. The NDP held 20 per cent. It did not seem that much could change in seven weeks. But that complacent assumption disastrously underestimated the Tories' readiness for battle—and the wide-ranging appeal of their platform. The party first released its 21-page booklet, *The Common Sense Revolution*, in May, 1984—and then sent Harris around the province to lay it to rest. It was not much help. The party's position in the polls scarcely budged. But, over the next year, the Tories honed their message to three themes: an end to employment equity, work for welfare, and a package of tax cuts, spending cuts and a balanced budget. Harris became comfortable deciding his policies. Behind the scenes, a core of fervent strategists, led by Long, worked out a series of "war games" sometime in the summer of 1984, predicting where they would stand during each week of the campaign.

Some of their tactics were nothing short of brilliant. Calculating that their only serious opponents were Liberals, the party created dozens of short "7-minute" videos tailored to individual ratings. If the local Tory was living a liberal movement, the footage showed that incumbent and McLeod as they voted for tax increases. If there was no Liberal incumbent, the video showed McLeod and former Liberal premier David Peterson as they approved tax hikes. The resulting scores, first put out midway through the campaign, the Tories sent out 200,000 copies of these videos across the province. Strategy counts does not take advantage of them, handing cassettes out at the door and using them at rallies. Sixty of these candidates lost.

Such preparation counted first, as the strategists felt, the Tory theme began to "bite" at the door. During the first few weeks of the campaign, the Liberals concentrated their attacks on the NDP, reasoning that most NDP voters would go to them. The NDP, in turn, attacked the Liberals because they were the front-runner. Largely ignored by his opponents, Harris concentrated on his theme, dedicating the entire second week to a full-scale attack on the current social assistance system. Within days, his ads began to contrast his position on employment equity and welfare with what he portrayed as the Liberal position, leaving the impression that his opponents would do little to change the system. Five days before the May 18 provincial election, Liberal support began to erode in the Tories' according to Liberal strategists, each night, a single percentage point or sometimes two percentage points would shift. Support levels stabilized after four nights into the debate. Then, they started to erode again. And they never stopped.

The Liberals were surprised—because of their own poor planning and their internal divisions. After many soul-searching debates, the party had decided to go into the campaign with an 80-page Red Book, similar to the book that Prime Minister Jean Chrétien dropped so effectively during the 1980 federal election. In hindsight, of course, Chrétien's plan and his previous campaign convinced him that survival depended on keeping a tight ship. In contrast, McLeod went up against Harris' focused campaign with a hodgepodge of 142 promises, including the extension of 60 trials services from Toronto to Peterborough and the nomination of a minister responsible for children's services. As former federal Liberal cabinet member Doug Feltz, who campaigned in a suburban Toronto riding since the Red Book was a long time coming, said at the end of the problem he had was that, if you closed your eyes, you knew exactly



## As Harris began to surge in the polls, his NDP opponent came back to life



**Here and there** Peter Kaye ran an election night attack in Toronto (top); the Tories scored so eventual voter loss

what Harris stood for: those three in men. If you closed your eyes, you couldn't count the three issues that lay in wait.

The Liberals were also unable to react quickly to Harris' campaign tactics. Michael Marston, though the party's pollster, Michael Marston was highly accurate; he occasionally unearthed the results of overnight polling at noon, rather than first thing in the morning. That made it more difficult to react quickly to shifting events. Moreover, while Tory ads ran, right after night, cancelling the Liberals' positions, the Liberals continued to run with ads, which depicted papers from the Red Book. Tories say that Marston's accuracy maintained that negative ads did not work. By the time that Liberal strategists finally overruled him, it was too late. Two negative Liberal ads aired eight days before the election. Liberal polls showed that those ads hurt Harris' credibility—but it was too late to shift his support.

Then again, none of the three party leaders had much credibility to begin with. When the campaign began, the leader who enjoyed the highest public approval they could take: they felt they were in the lead. In speech after speech, he discussed his controversial public-sector wage cuts, his decision to scrap plans for public sector pension and his intention to stop the growth of the health-care budget. Said provincial secretary Jim Marston: "There had to be some element of letting people express some anger, or go through a catharsis before we could talk to them about the good things we had done."

The result, however, was a curiously lackluster campaign. Some strategists privately complained that the party needed to find something, anything, to galvanize its troops and its leader. Instead, day after day, a clearly resigned Blue silently reflected on his fate and his

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Don Harris, Queen's University (bottom)

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Twenty years of making good things happen.



times. Then, Harris loses to Starn in the polls, and Bob comes back to life. During the last few weeks of the campaign, he hammered Harris day after day. "We are talking about defending our way of life in this province in the face of this radical right-wing agenda," he said. On election night, with his wife, Adele, Party Rags quietly weeping beside him, he told reporters that he was grateful for Harris's win. "You can always drive 70 per cent of the people to turn on 30 per cent," he said. "It is not difficult if you push the right buttons." Then, he predicted that Harris would have difficulty when he tries to implement all his agenda. "You have to govern Ontario from the centre. You can't govern with ideology on your shoulders."

**O**n policy matters, however, there is little chance that Harris will take Rags's advice. The new premier has vowed to call a summer legislative session, to take immediate steps to reduce the number of government employees and to scrap the NDP's labor legislation before the end of the year. Workday would be in place by April 1, 1998—the start of the government's new budgetary year and the day that federal restrictions on such measures disappear. (Currently, federal funds cannot be used to support programs that require welfare recipients to work.) As Harris said on election night: "You have elected us as new agents of change, and I want to tell you that we will keep that faith. We will deliver."

Despite those brave words, Harris may have promised an economic miracle that no one can deliver. The pre-budgetary has calculated that he can cut 10 billion from public services and 34.7 billion from taxes by 1999-2000. He has also promised to balance the budget, with a slight surplus, by the fiscal year 2000-2001. Such long-term projections are risky. Although the campaign boarder down in an unimpressive, wicker chair of numbers, as each party released estimates purporting to show what it and its opponents would do, one thing is clear: The Tories do not expect a recession. In their calculations, real growth continues, unabated, through the expected halving year of 2000-2001.

If growth stops or if recession is set up to expect, the Tories will be in danger of running up enormous deficits. Alternatively, they may confront the need for higher-than-expected cuts in services. Harris has always proclaimed that he will protect three priority areas: health care, education, and the classroom and law enforcement. If his projections are all he might not be able to preserve those sectors. Ironically, many voters did not actually expect Harris to deliver the promised 30 percent cut in personal income tax rates, polls indicated that only one in five voters believed that any leader would keep his or her word.

Such cynicism does not bode well for any politician in the long term. In the meantime, the spotlight is on Mike Harris. His campaign manager Long said that the new premier has the backing of the "silent majority" of voters who want real change, real life. Now, they are going to get it. And every politician in every province is going to scrutinize Ontario to see whether the people enjoy the ride.

With PAUL JARVIS and JOHN PENNELL in Toronto

COVER

## LESSONS FROM ONTARIO



### BACKSTAGE OTTAWA

BY ANTHONY WILSON-SMITH

**A**nd now, the official Ottawa spin on the real meaning of the Ontario election. The victory of the Progressive Conservatives is good news for (a) the federal Tories, because it gives them a crucial base in Canada's biggest province; (b) the Liberals, because it will avoid the dilemma they would have been caused once inevitable federal-provincial warring had strained relations with a Liberal Ontario government; (c) the Reform party, because most Ontario Tory policies agree with them; (d) the New Democratic Party, because the sharp swing



McLeod: Ineffective leaders and bad campaigns have no gender

to the right will cause heartbreak for many voters, and eventually spark a rebirth of the left. (e) the Bloc Québécois, because the new Tory government appears ill-equipped about its neighbor province, and may say things that will annoy Quebecers.

In politics, it is often more important to sound right than to be right. The two need not be the same for proof, consider the contrary. The Tory victory in Ontario is bad news for (a) the federal Tories, because it will force Jean Charest to show sharply to the right, or distance himself from Mike Harris; (b) the Liberals, because it shows how vulnerable their popularity may be; (c) Reform, because many key figures in the provincial Tories still support the federal party; (d) the NDP, because of the dimensions of their defeat; and (e) the Bloc, because an Ontario government indifferent to Quebec isn't likely to go so far as to make Quebecers cringe, and thus add the flagging sovereignty movement. The new thing about cynicism is that any,

at, or none of these things may be true, but they will sound convincing. For political strategists, though, the real lessons of any campaign are tactical, not philosophical. In the words of the Tory scribes, here are five lessons from voters that organizers from all parties can take to heart:

**Negative media coverage may not help, but it cannot hurt.** With several exceptions, reporting on the Tory campaign, both nationally and provincially, misrepresented Tory policy and caricatured Tory candidates as the sort of people who sat atop with a fork and wear white shirts just their heads to rewings. That doesn't hurt them much in the end, just as it did little to derail the Reform party in the 1993 federal election, when it faced similar media onslaught.

**Women don't vote for a woman just because she's a woman.** Party polls are likely on this. In the 1993 federal election, two-thirds of women who were prepared to vote for Kim Campbell at the start of the campaign had deserted her by the end. The same thing happened to Lyn McLeod. Ineffective leaders and bad campaigns have no gender.

**No one who governs best who governs least.** In an era of rising taxes and reduced government services, the firsthand experience of most voters with government is a bitter negative. Alone among Ontario's three major parties, the Tories promised to do less, not more. Similarly, the federal Liberal's biggest business with controversy here was the old cocaine issue, when they did something—such as, say, introducing gun-control legislation.

**Promise first, but be specific.** For similar reasons to the above, jaded voters believe that the bigger the promise, the less likely it is to be kept. In the Ontario race, it appeared to break most of its promises from the 1990 campaign; the Liberals tried to be all things to all people, and predictably pleased no one. The Tories promised something, as much to engagement equity and a sense of the old cocaine issue, when they did something—such as, say, introducing gun-control legislation.

**As a political leader, it is better to be blunt than brilliant.** Arguably, the three most successful politicians in the country are Jean Charest, Ralph Klein and Mike Harris. All share a rough-hewn, good-natured quality in their speech, each sounds comfortable saying No, rather than Maybe, in response to queries. And each, in short, has understood an old rule of life but a relatively new discovery in politics. Call it the sixth, and most golden rule of successful politicking: If you can't give people what they want, the next thing is to give them straight answers—and the respect for their intelligence that doing so implies.

BY MARCI McDONALD

In the spacious brick split-level house high on a subdivision hill overlooking North Bay, the man who has been cast as the voice of white small-town suburban wrath was pacing his recreation room in a pair of baggy shorts and a casual shirt that was even more casual than usual. Praising his election-night victory speech, Mike Harris was trying to get his tongue around two passages in his statement: Pivotal when the congratulatory calls began rolling in. Even before the polls had closed, former premier Bill Davis phoned to salute his provincewide sweep, which restored the Conservatives to power at Queen's Park for the first time in 15 years. Next, Governor General Prime Minister Jean Chretien wrote on the line. Harris was just climbing into his pajamas when Bob Rae called to make his triumph official as Ontario's 28th premier.

Across the room, his best friend, Prime Minister, a North Bay real estate broker, shook his head. "It's unbelievable," Manogay said. "I'll tell you that point for himself back in high school." In fact, in the 1963 Algoma Central School yearbook, which listed his passions as "bowling, curling and skateboarding," a 17-year-old better known to his pals as "Mike" or "Hairy Harris" had declared his ambition to become prime minister. But in Manogay pointed out: "At the time, everybody thought it was a joke."

In those days, politics seemed the antithesis of success for the small-town underdog who had never shown a moment's interest in student government or wasted much time on schoolwork. When the provincewide Grade 13 election loomed Harris did not even have any notes. For two weeks, he moved into Manogay's house and created from his friend's recollections of him. Not only did he pass, he got higher marks than he. "Manogay chuckled. 'It just goes to show what a good study he is.'"

Over the coming weeks that tale could stand the 30-year-old Harris in good stead as he struggles to carry out his campaign now to place the pillars of his Ontario New Revolution, including massive personal tax cuts, as a province already reeling under the country's most crushing debt load. To many, not least among them his own 30-year-old mother, the task he now faces looks anything but creative. Standing among the well-wishers crowd cheering his victory, Mike Harris confessed, "I'd I can't answer why anybody would want this job."

A year ago, with Lyn McLeod sitting in the polls and the



Mike Harris (left) at 22 with friend Don Manogay (right) at 22 with his friend a small-town guy with a knack for networking



Federal Tories in such a desperate that Harris avoided mention of the party's name, then seemed little danger that he would get it. But the university dropout who has been dismissed as a small-town golf pro had already spent the better part of his 15-year political career in the legislature defying expectations. Once scorned as a gadabout who by the autumn session of Ontario's Big Blue Machine, Harris was joined over the cabinet

had scarcely stepped into his rugged environs. At 22, his British grandfather took him on a seasonal journey back to England, but foreign lands held little lure for the older brother. Set now as investment counselor in Orangeville, Ont., went off to university, and even his dad, Mary, left home for library school. But for Harris, whose friends began visiting his closest friends. North Bay was world enough. Summers were spent fishing and mowing his paper route to cottages along the lake and even in winter, there were newspaper parties and sports.

Roughly described as burly today, he was small for his age as a boy and seemed to have remained a man. His father, Deane, who owned his own welding supply company, was a formidable figure: both gruff and genial, wise, at 22, still towered over his son's victory jump last week. "Michael was determined he was going to prove," he recalled. "So he saved up his money and sent away for an excavator that was advertised as the corner loader." Even when he did it, a rusty spot into a group term, his friends say he was never a natural athlete. Although he played junior hockey, he avoided the rough-and-tumble of high school football for the relatively mild leisure pastimes of curling and golf.

When he was 15, his father sold his welding business and bought a nearby fishing camp called the Wolf Falls Ranch, to give his family a taste of the gritty realities of entrepreneurship. "We kept books, and I made them do daily reports from the marina about how much gas they sold and how many boats were out," Deane Harris recalled. "And those books had to balance every day, so he never made them up as a hobby."

Mike Harris, said, Conservative campaign manager Tom Long, one of the few who did not.

A executive headhunter in Toronto, Long flagged him as the man to rebuild the shattered party in Harris. He was a small-town guy with a knack for networking and the common touch—so fancy cars or the dollar words—who could replace the Conservatives' grassroots as the head of the income garage and the back yard business. Now, Harris finds himself based in a dogged vacancy who has helped restore the country's political map. Creating an definitive shift to the right, he has been compared to another able candidate who was dismissed as an unrefined lightweight who risked victory on a moral level of populist resentment. Ronald Reagan.

"That's the great lesson of this campaign," said Long, adopting the Reaganian vocabulary. "There is a silent majority out there."

Like Reagan, Harris's appeal rests on his nostalgic call for a return to a time when the province was a simpler place—one not unlike North Bay, he says. Harris has 65,000 on the shore of Lake Nipissing where he sold his first house unlocked. Stumping the province, he loved to celebrate its origins, saying, "There are a lot of North Bays out there, and they think like we do and share our values." Born in Toronto, Harris moved to North Bay before his first birthday and, until he was elected to the legislature in 1985, he

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# THE PREMIER NEXT DOOR

Once dismissed as a small-town golf pro, Mike Harris is being hailed as a dogged visionary, remaking the political map



The future premier, high school photo (left); with friend Don Manogay on June 1974 (above); cast on the scene of middle-class wrath



# Rocky Mountain high

Floods and rainwater helped James and Louisa Marshall remove all the furniture from their basement and from the main floor of their riverfront home in Medicine Hat, Alta. And then, throughout Thursday and Friday morning, as the raging South Saskatchewan River drew ever closer, they helped to make sandbags to keep the water out. They were about 30 volunteers at the point when they finally lost the battle—and the sandbag wall sprung a leak. Dirty brown water gushed across the lawn, through the windows and into the Marshalls' house. "We lost it about noon or so," said a dejected James Marshall, 56, sitting at the river, looking across what used to be a pretty lawn and garden. In the middle of the backyard, a studio where he sculpts mammals out of clay leads by a two-foot of water. And by late afternoon, the water in the basement was nearly six feet deep—flooding at the fifth story of a circular stairway leading down from the kitchen. "It's just devastating," said Marshall. "You never dream that it will happen this bad."

In fact, the floods that swept across southern Alberta and a corner of southeastern British Columbia last week were among the worst this century's rivers flowing out of the

Rocky Mountains were already swollen with spring meltwater when the area was hit by torrential rains—as much as 12 inches in 14 hours. That created a rolling surge of water that roared down mountain valleys and out onto the Plains, where rains overflowed their banks, sweeping towers, sweeping away livestock and wildlife, and forcing thousands of people to flee their homes. The floods also overwhelmed a sewage treatment plant in Leth-

## Thousands flee their homes as floods sweep across southern Alberta

bridge, Alta., forcing the city to dump raw sewage into the river. Officials in Medicine Hat (downstream) said that this winter treatment facility could handle the sewage, already highly diluted by the large volume of water. Meanwhile, police were still searching for a Ferris, B.C., man whose pickup truck was found on its side in the swollen Bull River near

Cumbybrook B.C. There were no other reports of missing people or casualties as of late last week.

The floods cascaded with one of the worst harvest years so common across the northern Prairie provinces and the Northwest Territories. Even while families in Medicine Hat were fleeing the river, more than 500 residents of Nanaimo B.C. in the Territories were being rescued to Yellowknife, 400 miles away by air, after flames leapt a 1,500-foot stack outcropping east of the town. Alberta alone had already lost 540,000 acres—more than 800 square miles—in the fires as of late last week, compared with just 14,000 acres at the same point last year.

The Alberta government has already spent \$15.7 million to battle the blazes in northern Alberta. And new farmers and homeowners who have been plagued by the floods in the south are asking for disaster assistance, including flood insurance is not generally available. The worst hit areas included Pincher Creek in southwest Alberta, Fort Macleod and Irma along the Oldman River. And in High River, 40 km south of Calgary, Mayor Edna Cosoy said that almost a third of the 2,000 homes in the town of 7,000 were damaged when the Highwood River overflowed its banks. As the waters receded, noted Cosoy, they left "a terrible mess—goosey, muddy-looking silt, two- or three inches deep."



Flooded streets in High River: waters left 'a horrible mess—goosey, muddy-looking silt'

Medicine Hat was the last major centre to be hit by the floods. The Oldman and Bow rivers converge to form the South Saskatchewan just west of the city of 45,000. And Environmental Protection officials had more than two days to plot the advance of the raging waters. Last Thursday, although it was inconceivably warm and sunny—and so dry that farmers just outside town were irrigating their fields—officials in Medicine Hat began evacuating the flood and

the elderly from low-lying areas. City residents leapt bridges and riverbanks, watching the steady rise of the churning brownish river as it swept along huge logs and other debris.

Early Friday morning, the water spilled over the banks, and by 10 a.m., the river was lapping at many homes. City officials had already urged the evacuation of more than 5,000 people from about 1,500 houses. At one point, they also closed four city bridges because a partially

full propane tank was spotted leading down the river. Officials feared that it might hit a bridge and explode, but police shot holes in it to release the gas and the tank passed through the city without causing damage. The South Saskatchewan peaked at a height of 12 feet on Friday night, causing flood damage to more than 1,000 houses. But by Saturday, the waters were beginning to recede.

Through it all, many residents chose to stay in their homes to fight the advancing tide. In Harkins, a low-lying neighborhood on the south side of the river, Les Hayer and a handful of volunteers labored at the home of Hayer's elderly parents—loading up buckets of water under the back hatch up into the basement. Across the bridge in Brimley, Penny and Fred Fisher, both in their 70s, watched as river water three feet deep backed up against the back wall of their bungalow. But plastic sheeting plywood and woodings that their son and other volunteers had erected the day before kept the inside of their house mostly dry. "We've been here 40 years," said Penny Fisher. "In 1953, the river came up and covered the patio. But it hasn't ever been this high." When the waters finally began to recede from Medicine Hat, provincial officials said that the worst of the flooding was over. But at the major rivers' side, the grim task of cleaning water and mud-soaked homes, and mending the damage, was just getting under way.

DARYL NEMETH is in Medicine Hat.

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Maclean's is pleased to salute Terry Alcock, president of Gordie Gale Pontiac Buick GMC Ltd. in Winnipeg, Manitoba.

Terry's successful career in the automobile industry, which spans over 31 years, is accurately reflected in his business philosophy, "Customers and employees for life."

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Terry continues to win over customers and judges alike with his business acumen, as well as his extensive involvement in automobile associations and commitment to the city of Winnipeg.

**Congratulations  
Terry Alcock**

### THREE FOR SEPARATION

Quebec Premier Jacques Parizeau, Bloc Québécois leader Lucien Bouchard and Mario Dumont, leader of the Parti action électorale du Québec, announced a new pro-separatist alliance in Montreal. Their joint position calls for a common Parliament between an independent Québec and the rest of Canada that would deal with areas of shared concern such as defence, fiscal policy and the environment. The three leaders said they would also offer Canada economic assistance if Quebecers vote in favour of independence in the referendum, which is expected this fall. But if no agreement is reached within one year, they added, Québec would issue a unilateral declaration of independence.

### LIMITING DEBATE

The federal Liberals used their majority in the House of Commons to limit further debate on three contentious bills: gun control, protection of homosexuals against hate crimes and reform of MPP pension plans. While the Bloc Québécois agreed to the limits, Reform party leader Preston Manning angrily called the move "disgusting, inside-the-beltway and anti-Canadian." The Conservatives are expected to vote on the gun-control and hate-crimes measures this week.

### PUNISHING ALLMAND

The Liberal government attempted to strip Warren Allmand of his chairmanship of the House of Commons justice committee after the wily Liberal MP voted against the Feb. 27 federal budget—a document that he says jeopardizes Canada's social safety net. But the government was thwarted—lost temporarily—after the Reform party refused to consent to the process. The Liberals are expected to try to remove Allmand again—although not perhaps until the fall.

### EUTHANASIA REPORT

After 15 months of deliberations, a Senate committee split 4 to 3 in favor of relaxing current sanctions against euthanasia and assisted suicide. But the committee agreed unanimously that there should be lighter sentences for murders that are deemed to be mercy killings.

### COMPENSATING VICTIMS

The New Brunswick government agreed to pay up to \$2 million in compensation to more than 50 men who were sexually abused at provincial reform schools. Most of the victims were young boys at the Kingsclaire reform school, where former guard Neil Tait molested and terrorized students from 1955 until 1959.

# Canada NOTES

## A child's horrible death

The case put forward during the two-week trial by New Brunswick Crown prosecutor Fred Thompson was horrific. Cpl. Steven Turner and his wife, Lorrie, were charged with manslaughter in the May, 1994, death of their son, John Ryan, at the family home on Canadian Forces Base

Essex his last days bound to his bed in a deteriorated room and plagued with a man's vile words to justify his crime. An autopsy report entered as evidence also showed that he had suffered two broken arms several months before his death, probably as a result of being violently shaken.



Lorrie and Steven Turner hear horrific evidence

The Crown alleged that John Ryan's life was ended after his severely depressed mother rejected him and his once affectionate father ignored him as a plan to force the boy to bond with his mother. Crown witness Dr. David Merf, a pediatric psychiatrist, testified that, visible to others, his son "showed physical and emotional abuse from his parents, the boy lost the will to live. 'If his world was impossible to live with or live in, then nature took over and said, 'We cannot survive, we'll stop eating and waste away,'" said Merf. The lawyers representing the parents called as witnesses, arguing that the Crown had failed to prove its case.

Chaos in northern New Brunswick: The court heard how John Ryan, who was almost four years old when he died, weighed only 21 pounds—which one doctor described as the weight of a normal 11-month-old baby. According to the testimony of various experts, the boy had not eaten in weeks, his frail body was covered with self-inflicted bruises and bite marks, and he had likely

starved. The Crown's case was speculation and that no one ever saw John Ryan again, strangled, gagged or abused. "What was withheld was emotional support," said Barry Whyte, lawyer for Steven Turner. "It's that a necessity of life? There would be as much of parents involved in that charge." Court of Queen's Bench Justice Thomas Ramcharan reserved his decision until June 14.

## Halting the Westray trial

Nova Scotia Supreme Court Justice Robert Anderson ordered a stay in the trial of two former managers, Gerald Phillips and Roger Perry, at the Westray coal mine in Pictou, N.S., where 26 men died in an explosion in May, 1982. Anderson agreed with defence lawyers, who argued that the accused—who had been charged with manslaughter and criminal negligence related to the disaster—had been denied the right to a fair trial by the Crown's failure to disclose all the evidence in the three-year-old case. He ordered that Phillips, who financed his own defence, be paid \$250,000 in court costs. (Perry's defence was financed by legal aid.) While Phillips and

Perry listened to the verdict without showing emotion, Perry's lawyer, Anne Mulick, and her client "in quiet relief and happy to get this behind us."

The relatives of the dead miners had a very different reaction. Kim Truaxdale, whose son-in-law died in the explosion, said he was devastated. "We wonder if this doesn't seem appropriately named—the Justice Complex," he said, outside the courtroom. Disclosure hasn't been perfect. It could never be perfect. We're not in a perfect world. There were flaws but they were not unreasonable flaws. Following the verdict, and prosecutor Barbara Fielder said the Crown had not decided whether to launch an appeal.

They put up the flags in Halifax last week, draping an unsightly downtown building with giant banners from the countries represented at the Group of Seven summit that will take over the city this week. They walked shut manhole covers and carted away mailboxes and trash cans that could hide a terrorist bomb—part of the security blitz that precedes all such gatherings of powerful people. Food inspectors worked 12-hour shifts, overseeing the culinary team responsible for feeding the leaders and their entourage. Halifax opened and closed, getting ready for its metropolitan 15 minutes of international fame as 3,000 delegates and 2,000 journalists prepared to descend on the city for its three-day event. "We're ready for the world," crowed the Halifax Daily News.

The world's verdict may not be entirely kind. Previous G7 summits have been held in such exotic locales as France's



# THE LAST BEST PLACE

*Halifax has rediscovered its youth to go with its sense of history*

Château de Rambouillet (1975), the Palazzo Venetians (1982) and the Palazzo Grassi in Venice (1987). By comparison, the squat waterfront office tower known locally as the Green Tooth—but retitled Summit Place for the event—offers a less-than-overwhelming venue for the key meetings in Halifax. And Prime Minister Jean Chrétien's insistence on holding a cheaper "Grey summit," in contrast to the Cadillac affairs of past years, may please taxpayers, but runs the risk of leaving visitors unimpressed. The meeting will cost Ottawa \$28 million—far less than the \$50 million that last year's Naples summit cost the Italian government, and considerably less than even the 1998 Toronto summit (\$37.1 million in 1995 dollars) hosted by Brian Mulroney's Tory government.

That buys three days of formal meetings, informal discussions, lunches, dinners and group portraits designed to show voters back home that their leaders are keeping good company on the world stage. It will also buy a raft of economists and commentators in which the leaders pore over the pressing issues of the day. They include political questions like what to do about the war in Bosnia and the future of UN peacekeeping efforts. But the focus will be on broad-brush economic issues, such as how to reform international financial institutions. According to a draft of the first communiqué that was leaked in Ottawa last week, the leaders intend to call for a more effective response to financial crises like the one that hit Mexico in December, support for nuclear safety in Ukraine and more action on the environment. By the time the flags come down at the end of the summit, the leaders will no doubt have found more to say about those and other issues. The one sure bet is that they will be ready to do it all again next year—in France.

ANDREW PHILLIPS

BY JOHN ENGLISH

Go it diplomatic, when the morning fog still cools the air. Then as the mist clears, and the outlines of the harbor emerge like the printing of a Polaroid snapshot, picture the scrawny-riders, British passport-bearing, the heavy-laden prewar ships that glided all the way down the coastline's eastern seaboard and the Second World War convoys racing before departing for Europe. From them, anyone can stare into the same blue waters as the red-coated sailors who once galvanized Britain's campaign to hold on to the New World. They can see the spot where in 1945 a German submarine torpedoed a Canadian minesweeper, killing most of its crew, and the place where in 1917 the French巡洋艦 Maréchal and the British steamer Iroquois collided, causing the biggest friendly explosion the world had seen since Hiroshima. Perhaps they can even glimpse the battles where the leaders of continents once charged from makeshift galleys a warning for all who entered the splendid harbor.

One cannot travel deeper into the Canadian past by entering the anchorage for Mi'kmaq Indians once called Chebucto. Certainly the Plains of Abnaki retain all the drama sadness and triumph of the national psyche. But in Halifax, with its 250 years of reflecting, myth-making for the past so overlays the present that history seems odd. "It had always looked like an old town," the novelist Hugh MacLennan once wrote about his home town. "It had a sense for looking old and for acting as though nothing could possibly happen to surprise it." Well, maybe in 1941 when those words were written. But what



■ The Halifax region at dusk; bankers outside the Public Gardens (left); a city emblematic of the pastimes of those days

was it MacLennan think about Halifax today? Would he see the old garrison town to which Rudyard Kipling once gave the stodgy handle "Wardens of the Honor of the North"? Or would he see a bustling, good-time city of the moment—a place with an inspiring landscape, a distinct culture and a rebound mind set, but burning with more edge energy than it has in years?

For if there is a city that is emblematic of the yearnings of these times, it is Halifax. The editors of *Reader's Digest*, the American magazine that christened it "the very anatomy of a hip city" back in 1991, mused that. So do the turned-out Torontonians arriving as guests at a bit of the good life, and the Europeans girding up real estate in the gorgeous coves and valleys surrounding the city. So, even do Halifax's young people, who now live they may have found their last, best place without ever leaving the city of their birth.

For too long, Halifax's energy has been smothered by a colonial regard for authority and convention. Now, the conservative capital of Nova Scotia seems to have rediscovered a lost youth to go with an intriguing sense of history. "It is like someone turned on the power in this place," says Colin Stannis, president of the University of King's College, which was founded in 1789.

The world—in the form of the G7 summit—could not have arrived at a better time.

It is 1 a.m. on Saturday morning—and the Halifax night is just beginning its famous second act. Downstairs to the Seaboard Tavern, the ship's bell has rung, and a few stragglers pull an

their skills at the Nova Scotia College of Art and Design students, the filmmakers, the newly trained lawyers and the rugby players pour into the night. Outside on the wind-swept street, a mass of skin heads merely nod along with a guitar-playing barker. Next door at the newly opened Economy Shoe Shop Cafe and Bar, sophisticated thrifyschmopg order cappuccinos or another single malt Scotch. And everywhere—down Jargyle Street towards the seaport of dance spots known locally as the "Liquor Dunes," and up Blewars Street towards glass corners, the maces of late-night football dance—young people stroll, noisily discussing where to go next to ensure the party does not stop.

At the Bedford Canal, where all national roads meet, it's just far less than under 30, the cocktail-woman seems giddy and the underdressed doorman downright frazzled. Here, the local stars are the magpies, among them grunge sensation Sloan and shaggy pale, who get the city tagged "the next Seattle" by the music press in the United States and the United Kingdom. Talent scouts from the big American alternative record labels like Sub Pop and Geffen Records regularly visit the club, searching for the next hot Halifax act. Tonight, the members of Vancouver's The Odds + Thrush thrash away at their while all around three young lads glow in teacher-like fascination.

Stomached on a stool, one hand clutching a bottle of Olay's Export Air, the other a pad case as he awaits his turn at the table, Lindsay Sharpe, 21, scrolls his better remainder of why he lives in Halifax instead of heading back to Toronto where he has spent most of his life. "This is a great place to be young," he declares the staged searching clerk for an educational publicly sign. "Everybody plays music. Everyone does art. There's a real sense of excitement. You feel like something is really happening and you are part of it."

Something is happening. And the phrase that echoes through the downtown clubs, the Nova Scotian residences and the studios and offices of the self-branded entrepreneurs is self-confidence. It is a self-confidence that comes from looking that, for now at least, one lives in a Place. To the rather than a backwater or an out post on the edge of the continent.

It was not always thus. Then, once, when sheets of rain from the overcast sky and not a hint of respite at poetry hangs in the air, the city seems shabby, drab and down-to-the-bush. But when the sun breaks through, unleashing the hard edges of the stone Victorian and Georgian buildings and glimmering off the water, Halifax delights the eye. And through the jumble of history, the city's new story reveals itself in the positions of clubs and pubs, within staggering distance at Citadel Hill, the old prison where Leon Trotsky was once jailed in the trenchy shows, coffee and ethnic restaurants, leading towards the ancient burial ground where headstones date back to 1730, on Spring Garden Road—walking in the direction of the rambling mansions built by the city's brewers, shipping merchants and naval commanders—where on a recent afternoon

## SPECIAL REPORT

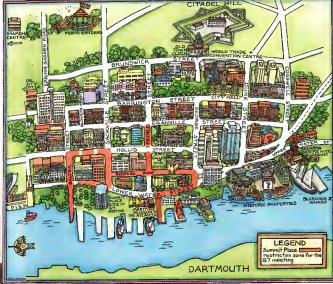
ing out a frontier past life.

Preservationists fought hard battles to keep the city's past intact—to ensure that new high-rises and office towers left the historic downtown open to light and air. But it never easy to forget that Halifax has matched to a solitary drizzle to the moment it was founded by the British in 1749 to counter the French presence in the fortress of Lunenburg on Cape Breton Island.

In its 19th-century heyday, Halifax was almost as renowned for its waterfront blind pigs, warehouses and press gangs as for its wonderful deep-water harbor, which was the envy of the seafaring world. But by the Second World War, a layer of Puritan repression had settled over the town, leaving it stagnant, depressed and dull—a place that only came alive during wartime. "It was terrible, really," recalls Constance Gable, now Nova Scotia's chief justice, and chronicler, but a first-year law student at Dalhousie University when she arrived from Ottawa in 1952. "There were only a couple of restaurants, and there was hardly a bar in the city where a woman could go for a drink."

But in the early 1980s and nothing had really changed. Cathy Jones, one of the stars of the hit CBC cultural television show *Thru the Door*, when she first visited. "We thought it was terrible, dull, uptight, mean, boring, repressed." Now, though, she lives in a Victorian manor in the city's South End. As far her adopted home, she declares it "totally cool, totally hip."

How did this come to be? How did a city that had always lost its young and ambitious to the sophistication of Boston, the career pathways of Toronto and the promise of Calgary suddenly become Halifax the Hip? A massive sign at the city's transformation from backwater to trendsetter was in a huge waterfront shed last month, where poet Allen Ginsberg sat leaning together a pair of wooden sticks and was well into his "Howl" when The Citizen's Rag with its readers chanted "don't



■ **Halifax is Northwest**  
Arm of Halifax harbor when the sun breaks through, the city delights the eye.

Chris Church, another local folkie, revved counterpoint. Most of the fashionable crowd listened raptly as the music to music service of America's best literary scene mumbled on, sometimes breaking into a rugged riff. Many simply gaped at disbelief at the scene: the 60-year-old New York City beatnik poet and the pair of early-20s hip-hop bidders from Nova Scotia—performing together in favor of the Seamus Heaney Foundation's endorsement as leader of the worldwide Shenandoah Halifax community, based in Halifax since 1996.

Halifax has been "discovered" before. Its last, brief moment in the sun came during the late 1960s and early 1970s when American draft dodgers and making actors and artists spread the word in the United States of an outpost "San Francisco North" in Nova Scotia. Back then, the Nova Scotia College of Art and Design—founded in 1975 by the industrial magnate, old in America as possibly "the best art school in North America"—certified an influence throughout

the North American art world that defied its small size and out-of-the-way location.

But the buzz had certainly faded by the time the Seamus's father, the Weymouth Quayman Thomas Hanopie, decided to move the westernmost Halifax community he founded from Boston, Colo., to a less aggressive and intermediate place. A decade later, the word on Halifax and Nova Scotia is undeniably out. Not just among the 100 of the spiritually enlightened followers who now make their home there, but also the executives who decide in midlife that there is more to it than trying to drink the corporate ladder, wherever it may be.

How big is the trend? One new indicator is the European ownership of 1,700 properties in Lunenburg County—a picturesque piece of coastline about an hour south of Halifax—most of them from Germany. And that does not even include the financiers, writers and actors from Toronto, the politicians from Ottawa and the American computer executives who now call the South Shore towns of Lunenburg, Mahone Bay and Chester home for most of the year. They include the likes of broadcaster Allen (Gordon M) Maclean, and David Johnson, one of the stars of the old CBC television drama *Street Legal*, as well as someone talk such as ex-colonel Tory cabinet minister Barbara McDougall, the comic Sn Larkin born Estuair Christopher Ondaatje and scientist



Philip MacDonell, the federal Tory heavyweight. And co-founder the Halifaxians who left years ago but are now returning with well-laid job skills and higher expectations of their old home. "The quality of life is just so much better and here," says Michael Nager, an architect who left Halifax for Victoria in 1993 only to return home on a four-day trip. Judy Lake, a former Toronto vice-president with pension fund manager Actua Canada Ltd., hopped on the wave even earlier. Five years ago, she and her husband, Bill Fulkerson, an executive with the Toronto-Dominion Bank, sold their home in the tiny Leslie district of Toronto. Now, she mothers two children, acts as an international environmental consultant and runs a string of luxury cottages the couple built in Rose Bay, 50 km southwest of Halifax. "Most of our customers are Toronto natives," she points out, "coming down on weekend trips, trying to figure out how they can move here for good."

That is not just an estate market's bragging right. Enfranchisement used to be the city's bane. But from 1960 through 1981, according to the early part of the same report, the city's population, which included the rest of the country, the population of Halifax and the surrounding communities of Dartmouth, Bedford and Lower Sackville—now going through real estate emancipation—grew by eight per cent, reaching 320,000, compared with a seven per cent increase in the previous five years. And once a newcomer arrives, it takes a crawler to get him to leave. "Whenever I talk about moving anywhere to an office elsewhere, they threaten to quit," complains Hector Jacques, president of the Jacques, Whitford Group of Companies, which does engineering consulting around the world.

The city's biggest booster, Walter Pigeonette, the partly 58-year-old mayor, can hardly contain himself as he talks about the roughly 100 telephone calls a day his office receives from people or pressure (interest in moving to Halifax, setting up businesses, solidifying connections or just visiting. "It's a salesman," he says. "It's always selling Halifax." In truth, it can still be a hard sell. Last year, provincial government executives did help to persuade the Canadian Imperial Bank of Commerce to create 500 jobs at Halifax with a new telephone call centre. De June 1, another 600 people started work, but only thanks to the controversial new centre in the midtown Sheraton Halifax Hotel, which angered for business despite the fact that everyone from government backbenchers to the provincial chiefs of police opposed it.

Otherwise, the small local market too often simply scores off potential investors. Halifax may be the Atlantic region's centre for finance and legal services, but it is still a relatively small city. Its 300,000 people, then, Halifax's downtown remains filled with empty storefronts and office buildings. Fully 12 per cent of the workforce are federal and provincial



employees, a Halifax-based conservative politician, the city of first past the night time of big city cicadas and small town comfort. "When one bit here will you be able to join the golf club, the yacht squadron and the most venerable old sports club—all for under \$4,000?"

Consider better get used to that snug limit. It comes from living in a harbor that is dotted with sailboats, ketches and watercrafts weaving among the breakwaters and sand frigates on a clear day. It comes from walking through tree-lined streets, parks and green spaces. And from being able to enjoy all the amenities of a cosmopolitan bigger city—driving theatre, a top-notch symphony, live jazz, rock and country music and clubs that cater to gays or straight—all still being able to get a 55-cent ride from home. It comes from leaving the office at a summer Friday afternoon and, within an hour, being on a volunteer beach, dining on fresh seafood in Lunenburg or catching some Shakespeare in the tree-shaded Annapolis Valley town of Wolfville, 30 km north of Halifax, where Christopher Plummer has been an enthusiastic booster of the Atlantic Theatre Festival.

As East Coast paradise? Far from it. In a survey of the health of Canadian cities, *Charlottesville magazine* recently ranked Halifax a lowly 10th out of 25, lambasting it as par-

adise for treating a mere 10 per cent of the wastewater from hotels, clubs and homes before releasing it into the harbor. Being set on a peninsula also means that land is scarce and so housing is pricey according to real estate giant Kaye LaPage, a standard two-story house in the city's most desirable section can average of \$270,000. In April, asking for an exorbitant \$1.5 million for a house in one of the best-selling districts, about the size of one in the well-appointed Toronto suburb of Oakville and miles above other Atlantic centres such as mid-sized St. John's, where a comparable house costs about \$125,000.

For some, too, Halifax remains conventional and narrow-minded. The city's 600-strong black community, for example, remains mired in poverty and anger. Just a month ago, the city's mayor paid embarrassment during the G-7 summit, evicted a pair of squatters who had been camping in a former black settlement known as Africville to protest the racism in which the land was expropriated during the 1960s. "The community's gains have been minimal," concludes Gilbert Day, a black multicultural program officer with Heritage Canada. "In a racist context, can aggressively make the same complaint." When still overwhelmingly held the levers of power," says Anne Derrick, a high-profile lawyer and founder of the city's sole women-only law firm.

And, of course, a person has to make a living. Halifax actually weathered the recession better than most cities. Last year, according to the *Urban Report*, a survey conducted by the Toronto-based Henson Consulting Group, the Halifax metropolitan area secured the eighth best economic performance in the country measured by indicators including employment, growth and change in real estate value, ranking Winnipeg, Edmonton, Calgary, Montreal and Toronto, among others. The outlook? Better now than the past, responsible for nearly 9,000 jobs, two hundred thirty years of being tied to Montreal. And the city fathers hope that word spreads about a study conducted by 1996: Management Consultants for the federal government, which identified Halifax as the lowest cost site among 30 Canadian and American cities for building high manufacturing facilities.

The big problem with Halifax has always been a lack of entrepreneurs to create jobs and give the economy its life. Truth is, a person must be creative to earn a buck in a small city where the public service is the greatest force. Fortunately, information technology and the new knowledge-based economy make that increasingly possible. Three city television series—*The River* (on 30 Atlantic, Street Court and Tidewater Supplies)—are now shot in Halifax, making it one of the country's television production centres. On a per capita basis, according to Halifax-based NTRN, the country's largest Internet provider, Nova Scotians use the Internet more than people in any other province, a fact underscored by a new online shop in downtown Halifax that features a personal computer that customers can use to dial up the Net. And a new breed of entrepreneur, peddling expertise and products in everything from microelectronics and computer software to environmental design technologies, now provides a growing share of the local job market. They include people like John DeWolf, 35, and his partners in 3-2-3 Media Design, who last year created television graphics for Michaelson, a United States cable channel that features former Robert Altman as executive producer. And Juddie Swain, an expert in the law of the sea who has written the fisheries agreements of 20 countries. And companies like Dyna-Tek Automation Systems, a firm specializing in data storage systems for companies, which relocated to Halifax from Seattle two years ago even though all of its employees in sales are outside Nova Scotia. As Michael Donovan, vice-president of Silver Street Films, one of the

## FOR SOME PEOPLE, HALIFAX REMAINS TOO CONVENTIONAL AND NARROW-MINDED



violence—a dangerous rivalry in these times of public sector restraint. Moreover, cutbacks loom over the 11,000 armed forces personnel in the area, as well as the faculty and staff at its five universities. Yet they keep coming—despite the lack of economic opportunities.

It really understood the appeal of Halifax, it is best to consider the city's self-perception as an oasis that just goes back to back lifestyle—a concept that is justifiable as well as contagious. Kenneth Rowe, the mayor's brother and president of IMF Group Ltd., the Halifax-based aviation giant, glazes about the way his counterparts in Toronto or Vancouver are mired in traffic for hours, while it takes him just 20 minutes to get to the office from his well-appointed Halifax home and 15 minutes more from his summer place in picturesque St. Margarets Bay. Far from

■ Members of the Shubenacadie Band in the city's skyline seen from Dartmouth. (Left) Mayor Walter Pigeonette (right): all the amenities of a cosmopolitan, bigger city—but just a \$5 cab ride from home.



country's most vibrant independent film companies, puts it. "You can live here. But you have to make your money somewhere else."

Halifax, technically, is a city, the 14th largest one in the country by land count. But spiritually, it is a small town—particularly in the morning, which starts with a leisurely, practical pace that not even something the magnitude of the G-7 summit can really alter.

Inside Perks, a coffee shop sandwiched between the ferry terminal and the city's law courts, the self-styled "waterfront intellectuals" were well into their usual groove one recent morning.

The city has dozens of smaller gift shops, coffee shops and groovy spaces where the clientele is fluid and the talk a loose tangle based on an intimate knowledge of everyone else's business. A stockbroker and pragmatic Tory lobbyist debated golf clubs with a corporate lawyer; a prominent Liberal seemed to pick up a morning paper and trade political gossip; the rough-looking guy in the wheelchair who pulled up a chair turned out to be a judge on his day off. But today, amid the noise, cigarette smoke and smell of baking sugar, the new face of Halifax is also out there: the Indian Canadian judge with the Al Pacino hairline lining up for an early-evening pit of coffee, the writer—epitome the media—who recently returned from Vancouver to work on a new Internet project for a local film production company, the movie producer just stepping through the doorway as a parking lotter in a soccer country destined for the thousands of tourists who flock to the city to see what the buzz is about. "Oh, Halifax is changing," says Dennis Reay, a musician and businessman, his voice dropping with the life of his own. Tipperary, Ireland. "You can almost feel the earth shake under your feet."

The tremors register a few blocks away at the city's venerable Georgian legislature building, Province House, where Premier John Stanfield is fighting for his political life. His cause, during the unthinkable and trying to end Nova Scotia's old pattern of Tannery Hall style political patronage. They also reside through the waterfront courthouses, where the police system is still trying to regain credibility after a scorching news report claiming rape kits are in the wreckage of a murder conviction of Donald Marshall. "The jury is still out as to whether we have truly cleaned up our act," declares Gordon Gorman, a Halifax lawyer who has clashed with the legal establishment in several controversial cases.

In a way, though, the new willingness to challenge the established order speaks volumes about Halifax's city escaped by new blood and rejuvenated confidence. In September, a 20-year-old woman was arrested in a place with the universities—total population 35,000—and strong the



## HALIFAX, TECHNICALLY, IS A CITY. BUT SPIRITUALLY IT IS A SMALL TOWN.



■ The Old Town Clock; downtown Halifax Street Hoops 'ya have to make your money somewhere else'

jeering on the dance floor. "That's the thing about Halifax," explained Woody Prodson, 35, the manager of a Huxtonian clothing store, as she sat finishing a beer with her 5'6" Lankanese musician boyfriend. "The cultural and social barriers have disappeared. Everything and everybody is included, nothing is excluded."

Then she was gone, heading into the night where a husband waited. But a husband. Somewhere out there she knew something was going on. She just had to find it. □

best-educated population of any city in the country. Colin Staines of King's College insists that being so the progressive margin of Canadian life makes for a certain independence and freedom of thought. "Halifax has always enjoyed the marvelous ability to be a provincial looking at the centre of the country without being to be caught up in its enormous sizes," he says.

Now, though, the city's moment may finally be here. On a recent foggy Sunday night at the smart upscale harborfront pier shed in which Ginsberg had held court, a Cape Breton style entree, a kind of Celtic square dance, was under way. On a rocky stage, Buddy MacMaster, the star dean of Cape Breton's traditional Celtic Ballads, whipped off rosettes, stridings and airs with effortless facility. Then, Mary Jane Lunnard, farside and garbed entirely in black, silenced the room with her soaring Gaelic lyrics. The music was cathartic old. But there was nothing provincial and tradition-bound about the crowd working and singing.

Everything and everybody is included, nothing is excluded."

Then she was gone, heading into the night where a husband waited. But a husband. Somewhere out there she knew something was going on. She just had to find it. □

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# MAKING HALIFAX TICK

*A new breed of movers and shakers steps forward*

Mayer Walter Fitzgerald and police Chief Vince MacDonald spent Halifax's winter. When it comes to food, who can resist the bananas, housewight bannocks, well-seasoned dagners and the kinds of Halifax's five universities, who have held sway as long as anyone can remember? But as Halifax shakes off the dust of about 250 years of convulsion, a new group of movers and shakers is stepping to the fore. Many are newcomers, immigrants or Canadians from other cities. Others grew up in Halifax—but outside the circles that usually exercise influence within the class-conscious city. Whatever their origins, they share something undeniable—energy, confidence and the shrewdly canny that comes from outside the Establishment is no barrier to making a mark. MacDonald's Halifax Bureau Chief John DeMont provided fiveheadshots of some of those who help to make Halifax tick.



THE STAFF at HOPE COTTAGE

Good friends? I was a big—misleadingly well left in the afternoon—the lawyers began. By the time the last person leaves Hope Cottage, a soup kitchen in the city's gritty north end, Rev. Douglas Clarke and his mostly volunteer staff will have served some 200 meals. Halifax's most visible social service agency celebrates its 25th anniversary this year. But the spirit of selfless charity that the home reflects is as up-to-date in a city that still cares. "No one goes hungry in Halifax," declares Clarke. Not without the help of countless volunteers, who do everything from cook meals to clean up the mess afterwards. Without them, the building would only be a cottage.

## BENIS RYAN

(Downtown manager/creative organizer) Obviously needed to learn where Ryan's popular band, Ryan's Fancy, disbanded back in 1982. In Halifax, though, the 32-year-old Ryan seems to be every where these days. The regional vice-president of marketing for Atlantic Management Ltd., he is also president of his 12th album (recorded in Nova Scotia and in his native Ireland, where he performed once sang with a choir of Braselton's marionettes). He also hosts a local CBC TV music show, *Up On The Roof*, acts as master of ceremonies at concerts, raises funds for everything from the Victoria General Hospital to the Darcy McGuire chair of Irish studies at Saint Mary's University, and is putting together a deal to bring a group of Irish artists to Halifax for an as yet undebated business venture. "That's the way I like it," he explains when asked about his erratic career path. "It was totally disorganized, with no rhyme or reason to my life."



## CHIP BUTNERLAND

(Newspaper manager) The partners at Patterson Katz, the ultra-establishment Halifax law firm, nearly popped their suspensors when Butnerland started talking about a local alternative brand named Sileas and who he had just signed down to a recording contract with the heavily successful American label, Golden Records. "I was," recalls the 34-year-old Montreal born Butnerland, "simpler by good. Three terms of reference." Not say more. Butnerland—who helped to put himself through Dalhousie University law school by working as Halifax craftsman—does the legal work for virtually all the East Coast's driving pop music bands, as well as for clients as far away as Vancouver, Toronto—and Ireland. The company, Pat 21 Active Management Ltd., also represents The Beatles Family just guitar prize Don Ross and the Kingston. One based that The Intruders, who recently signed with Atlantic Records. Butnerland usually spends a week a month in either Los Angeles or New York City.



## JOHN RISLEY

(entrepreneur) Those who think Halifax is all bad-back lifestyle should meet Risley—if they can find him. Running his own 100-million company, with 2000 employees, and customers worldwide, Risley is a pretty busy guy. He's been away from his Halifax office. "The reason we stay here is on the island," says the 42-year-old head of Clearwater Fine Foods Inc. "Halifax is the best local secret in the world." In a small way, Risley may help change that. His sprawling house is featured in *Time* if it's true, a Hollywood feature now being shot in Halifax, starring Sandra Bullock and Denis Leary.

## CONSTANCE SLADE

(lawyer) The pin hair style and other dowdy touches hardly mark her as a woman used to breaking barriers. Yet, within the bounds of Halifax's tightly knit, overwhelmingly male legal community, Constance Slade, 46, is an undeniable pioneer. Born in Ottawa, but with a law degree from Dalhousie University, she became the first female city councillor in Canada when she accepted the Halifax post in 1984. Eight years later, she made history again when she was appointed chief justice of Nova Scotia's trial courts, the first woman in Canada to do so. When chief justice She took the job during difficult times, a scathing 1990 royal commission report into the justice system's role in the wrongful murder conviction of Michael Donald Marshall Jr. made the job of everyone on the Nova Scotia bench harder. "There has been a dramatic change in the way judges are viewed and treated," she notes. But then, for a ground-breaker, being viewed differently is nothing new.



## BRUCE MacKINNON and THOM HODGINS

(political cartoonists) If there is a rivalry, it is strictly friendly. In fact, MacKinnon, 34, the editorial cartoonist for *The Chronicle-Herald* and *Monmouth*, 36, who signs his cartoons as *The Daily News* scribbles Man, say they hang out the best in each other. The pair are regular readers in Halifax, where they make local politicians tremble in their wigs. Notably, they have a following, too. MacKinnon was runner-up National Newspaper Awards for best editorial cartoon in 1992 and 1993. Both times, his main competition was his cross-town rival, who had also been nominated for the national awards. "Being nominated and always being in front is sort of a badge of honor for me," says MacKinnon. But MacKinnon concedes that having good material helps. "So many absurd things happen here," he says. "It is a cartoonist's wet dream."



## DAVID BENTLEY and LYNDON WATKINS

(two-quarter publishers) Their model is *Private Eye*, the British satirical comedy sheet. But Bentley and Watkins—respectively publisher and editor of the Halifax edition of *Private Eye*—usually refer to their creation simply as "their eye." To Halifaxers, *Private Eye* is a guilty pleasure: no one admits to liking it, yet everyone is keen to know who is being ridiculed in the latest issue. Nearly 18,000 read the Halifax edition, and twice that number open each issue of its Ottawa-based sister publication. But Bentley is quick to argue that *Private Eye* does not mean the magazine is losing its edge. "It just isn't the same as it was 40 years ago," he says. "MacKenzie says," he acknowledges. "But now [the writer John] Savage is trying to write his own things, things are getting interesting again."



## VICTOR SPYKERS

**Disrupt.** Forget about the city's developers and architects. Nowhere, no one has as big an impact on the city's build, new look as the motorcycle-driving count downer. Born in Leicester, England, raised in Oshawa, Ont., Spyers moved to Antigonish, N.S., 15 years ago. Now, Spyers' art nouveau-inspired signs and interiors seem to be turning up in just about every new café, restaurant and bar in Halifax. His fame is spreading, too: a Swiss restaurateur recently hired him to design a new restaurant in New York's Rockefeller Center. Back in Halifax, Spyers has decided to try his hand at running a restaurant instead of just designing them. Economy Shop Cafe and Bar—complete with a bike front on the third floor and a live-on female musician leaping out a window—opened its doors in May. "I expect it will be my calling card in town," he says. Not that he really needs one by now.



PAUL and MICHAEL DOWTON

(film makers). "There is nothing preposterous about trying to run an international film production company from a 125-year-old Georgian house in downtown Halifax. At least not to Michael Dowton—62, a lawyer, producer and one of the co-founders of Soller Street Films with Paul, 60, his director brother. "In the world of film there are only two places—Los Angeles or outside Los Angeles," the elder Dowton says. "We grew up here and actually believe in the idea that you can succeed at whatever you choose to, regardless of place." Soller Street earned the recognition of its peers at this year's Genesis Awards with *Let's Make Things*, the television drama they produced and directed, and *The Hear Him 20 Minutes*, the political satire series done in partnership with the CBC. Taking home six Genesis awards from these coming attractions, The Popcorn Channel, a specialty movie listings channel Michael is launching in the United States this year with the New York Times Co. and Turner Corp., a new \$15-million science fiction series, and a children's television educational series that helps to explain to younger viewers from the world works.

## KENNETH ROWE

(entrepreneur). Rowe, 60, has no idea whether managing a business is any harder or easier in Halifax than elsewhere. The reason: DMO Group International Inc., which he started in 1987, is the only company like the British-born businessman, who arrived in Halifax as the local representative of a British union company, has ever run. Insurance has grown so handily after starting from scratch, his companies now employ 2,400 people—about 1,000 of them in Nova Scotia—and 100% activities range everything from building second pass and managing corporate jets, to overseeing a 570-million bid in Moscow in partnership with the Russian airline Aeroflot. "The only complaint I have about Halifax is that when you're flying to Europe on that route, it usually involves taking a plane to Toronto first," he says. But for someone who has found fortune in the heart of Atlantic Canada, that is a small price to pay.



■ The 1981 G-7 summit in Montebello, Que., as annual gathering of the world's wealthiest nations

## THE INS AND OUTS OF THE G-7 SUMMIT

### Preparing a rich table of issues

BY MARY JANIGAN

*The leaders of the Group of Seven industrialized countries have a busy agenda during their summit meeting in Halifax. Although the ongoing Russian crisis is expected to dominate the discussion, there are many economic issues on the table. A handbook to the 1985 G-7 summit.*

#### WHAT IS THE G-7 SUMMIT?

The Group of Seven—or G-7—summit is an exclusive club of the seven heads of state who represent the world's mightiest and wealthiest industrial democracies. The list consists of France, the United States, Japan, the United Kingdom, Italy, Germany and Canada. Together, they are responsible for more than 70 per cent of the world's economic output. Since 1975, they have met privately for two days each year, usually in glamorous resorts and palaces, surrounded by thousands of security aides and guardsmen, to ponder the world's economic and political woes. On the second day, for the political discussion, the G-7 tentatively expands to become an informal G-8 with the addition of Russia. This year, from June 15 to 17, they will gather in Halifax.

#### WHAT IS THE G-7'S HISTORY?

The G-7 traces its ancestry back to April 1973, when the finance ministers of France, Germany, the United States and the United Kingdom gathered in the White House library to discuss international monetary matters. They soon added the Japanese finance minister and, an acronym, the ladies. Their meetings were discreet, secretive affairs, treasured for the opportunity to compare strategies and to swap stories.

By 1975, two members of that original club had become heads of

state—French President Valéry Giscard d'Estaing and German Chancellor Helmut Schmidt. Both men realized that, in a blink of history, their world had changed forever. After decades of free exchange rates, their currencies were fixed unilaterally against the U.S. dollar. Oil prices had gone through the roof, accelerating inflation and deepening unemployment. The European Union had expanded to the great expanse of its potential rival, the United States. In November 1975, Giscard hosted the fellow heads of state at the Chateau de Brevalles, on the outskirts of Paris. In 1978, despite France's vehement opposition, the United States invited Canada—to bolster the North American presence. A year later, the European Union gained observer status. In 1984, for the first time, Russia joined the participants for the full political session.

#### WHAT IS THE MACROECONOMIC SITUATION FACING THE G-7?

Twenty years after the first summit, the world has changed far beyond the recognition of its leaders. In 1973, money moved around the free world at a steady pace, usually at the direction of central bankers. The developing world was mostly dependent on foreign aid and investment loans from international institutions. The Cold War was very cold—and security matters usually weighed heavily on any policy consideration.

Today, more than \$1 trillion worth of assets in the world in one 24-hour period. Huge amounts are moved, with the pulse of a computer key, from the stock market in Hong Kong to U.S.-dollar denominated Canadian bond issues in Toronto to purchases of shares in Indian corporations. The banks have been joined by thousands of individual portfolio managers, pension funds and investment houses. Countries such as India, Indonesia, Brazil and China are becoming economic power houses. The private markets now supply developing countries with three times the amount of capital that the international aid agencies can muster. Most important, the Cold War is over. Because the pace of development is hot so high, the Western underdeveloped countries are catching, state and more, as their economic self-interests take precedence over their security needs.

#### WHAT ARE THE ECONOMIC ISSUES TOPPING THE AGENDA?

Last year, the summit partners privately agreed that, in Halifax, they would talk about how to provide sustainable development with good jobs, economic growth and expanded trade in the 21st century. They added that they would examine the world's inflation in that light, especially the two oil-poor of the 44-nation Breitenburg Conference of July 1984, the International Monetary Fund (IMF) and the World Bank. Few people paid much attention to the G-7 preoccupation.

Then came the first major crisis of the new economic order: Mexico. On the surface, the Asian was thriving, and money was pouring into its coffers. But Mexico was actually spending more funds out of the country in buy goods than it was achieving in what were often short-term investments. Now, December 15, the month the international purchasing power parity was changed, Mexico dropped to its lowest point after the U.S. dollar. Investors were up-and-out, realizing that Mexico no longer had enough money to cover the value of its outstanding bonds. They began to pull out their money in a

panic. The IMF, which was created to ensure currency stability, was powerless. Money was moving too fast—and there were too many speculators in control. The United States cobbled together a massive \$50-billion package of loans and loan guarantees, plinking \$24.5 billion in IMF funds when full consultations with the bank's principal partners such as Britain and Germany. The situation stabilized—but traces of the European's outrage and suspicion still linger.

Meanwhile, as portfolio managers sought more stable investments, they took a second look at Canada. And they did not like what they saw: nearly \$100 billion in debt. In vain, Canadian politicians protested that they were putting their financial house on a far flatter, to placate its edge lenders. Canada was forced to raise its interest rates, repeatedly, in the weeks prior to the last-infinity budget. That, in turn, increased the cost of servicing the debt, pushing up the size of the annual deficit. Prime Minister Jean Chrétien stepped to attention. Who were those specious lenders who could throw the entire Canadian budget out of whack? Why did they not believe that Canada was reaching its wits? More important, Chrétien was aware that the \$100 billion that roared around the globe each day was largely speculative money, chasing tiny interest rate differentials, using little good and occasionally some harm in the world's economy.

As the host nation, Canada can demonstrate the ability of nations at a G-7 summit. Chrétien is focusing on ways to curb the enormous power of lenders that he disdains as "25-year-olds in red suspenders." Initially, his government floundered on the so-called Latin tax, which U.S. economist James Tobin proposed in the late 1970s, to discourage speculative financial trading by imposing a tax on transactions that, after close consultation with its international experts, Ottawa concluded that the tax was simply unworkable—only because most nations would refuse to apply it. It would also be impossible to distinguish between speculative flows and those that were trade-related or involved the repatriation of earnings. As Sylvia Ostry, the chairwoman of the University of Toronto's Centre for International Studies, told *MoneyWeek*: "The genie is out of the bottle. If you don't like the power of the financial markets, you can't put the \$1 trillion back into the bottle, but you can take the materials to improve domestic policy to reduce vulnerability" to other events, get your financial house in order.

Clockwise from top: summit in Atlantic City; Clinton, Richard Roth, Jacques Trépo, Bill Clinton, Timothy Winters, Jean Chrétien, Boris Yeltsin, John Major, Lamberto Dini

## WHAT IS THE APPROACH OF THE SUMMIT?

If nations do not heed that advice, there are ways to head off future Mexican crises before they happen—or to respond more quickly and more effectively if they occur. The G-7 partners are considering the following recommendations:

- The IMF should set standards for regular data reports—and its 170 members should meet those standards. Statistics would include the size of their company reserves, their amount of short-term debt and their current account balance (that is, the amount of money flowing in compared with the amount of money leaving out).

- The IMF should have more leeway to study its members' economic health; that is, it should not simply rely on each nation's reports for data. If it decides that a country is in trouble, IMF officials must be blunt—although their advice will be private. There is little G-7 agreement, however, on what the IMF should do if it is not so hot on how to proceed.

- One of the reasons that Russia got into trouble was that it plunged, headfirst, into the new economic world. It offered new-fangled recipes for stability such as free-trade—short-term, though, responsible is possible, as indicated by the U.S. dollar. In contrast,

## A BELEAGUERED SUPERPOWER

When the first summit convened of major industrial nations 20 years ago, according to a capsule history of that period, a series of crises had "reduced faith in U.S. moral and material capacity to influence world affairs." For the 21st annual summit in Halifax, similar aspects cloud America's reputation.

In 1975, as the leaders met at Beauclerc, France, the United States was barely more than six months out of its waning year in Vietnam, and it was only 15 months since President Gerald Ford had assumed the office vacated by Richard Nixon at the Watergate scandal. A central issue was how to calm trade-disrupting turbulence in world currency exchanges. The troubles afflicting President Bill Clinton's administration are less dramatic. But by provoking controversies on trade and foreign policy fronts, and with global finances again a problem, the U.S. superpower appears to critics at home and abroad to be conspicuously out of its own, lagging rather than leading.

The President's own range from families in Russia to a threatened trade war with Japan, and a call for trade sanctions against Iran that U.S. allies ignored. All are likely subjects for debate in Halifax. On Russia, where Washington is both active in peace and partnership, Clinton has spent over his allies. "It is hard to think of a major crisis since the Second World War in which the President of the United



■ New York stock leaders: leadership wanes

international relations professor at the University of Southern California in Los Angeles, argues for an Americanist policy of "enlightened nationalism." That, he says, "will not plunge the United States into distant wars it does not understand and cannot resolve, and where its own interests are not involved." For Clinton, and for his counterparts in Halifax, the unenviable dilemma may be to reconcile economic globalization with political nationalism, making its pathfinding in Canada among the most difficult in two decades of summit meetings.

### CALL MOLLINS on Halitosis

Chile encourages a minimum one-year term for investment by requiring what amounts to a tax on investments of shorter duration. The G-7 will likely recommend that developing countries follow Chile's example, moving more slowly into the capital markets.

- The G-7 nations will urge the IMF to change its ponderous procedures for intervention. They will suggest the creation of a "fast-track" mechanism that would have the authority to disburse loans quickly. And they will discuss when those mechanisms should be invoked—and what steps, conditions should be imposed on the recipients.

- The IMF now has a capital base of \$354 billion—and a credit line of \$40 billion, backed by 12 wealthy nations. The G-7 is unlikely to call for an increase in the IMF's capital base, largely because some nations, such as Germany, suspect that more available funds will simply encourage more nations to get into trouble. Instead, the manual will probably call upon other industrialized countries to back, and thus increase, the IMF's credit line.

- In the United States, companies on the brink of bankruptcy can invoke Chapter 11 of the U.S. Bankruptcy Code to get reprieve from their payments, as well as additional cash and the chance to work out new repayment arrangements. The G-7 will likely ask if it is possible to create similar international repudiation, perhaps even an international bankruptcy court, for more debtor nations.

- In the past decade, most industrialized nations have reevaluated the external problems that govern their financial systems. The G-7 will ask the world's central bankers, through their Swiss-based Bank for

International Settlements, and the world's security exchanges to recommend ways to update the supervision and regulation of international markets.

## WHAT ARE SOME OF THE OTHER INTERNATIONAL INSTITUTIONS INVOLVED IN THIS PROCESS?

Although the G-7 nations are simply too polite to say it, most aid agencies are in a mess. In 1989, for example, the World Bank, which was designed to provide long-term capital to needy nations, dispersed 34.5 percent of its projects (and to most of them) into crisis economic "rescue." The bank was also finding increasingly that private capital could now build and that were often economically damaging.

The G-7 will agree that the bank should support smaller "people's projects for health and education. It should also devote its lowest interest, longest-term loans to the poorest nations. China, for example, now receives such aid, although it could easily afford higher rates than those charged by the World Bank, while some African nations are barely surviving.

Summit partners will also probably clash over a British suggestion, which Canada supports: The IMF should lend a portion of its gold reserves, put the proceeds in a fund and use the interest to pay down the loans of the poorest nations. Furthermore, the seven will likely ask the United Nations to undertake its stock of funds, competing against its single institutions with mandates such as development, the environment and humanitarian support.

## WHAT TRADE ISSUES ARE ON THE TABLE?

Scant months after the World Trade Organization was created in January—after years of arduous international negotiations—the United States and Japan are already embroiled in a trade

war that threatens the WTO's authority and, perhaps, its very existence. The United States claims that Japan, its chief adversary against reports of an automobile and its automotive parts, Japanese officials insist that they are willing to make regulatory changes. But, they add, the United States has gone too far: it wants Japan to act as a neutral target for its U.S. purchases of cars and parts under WTO rules, the dispute should go to the WTO for settlement. Period. But although both countries have promised to abide by the WTO's rulings, the United States also takes an internal action: it has stopped 100-year-old tariffs on 33 Japanese luxury cars that will take effect on June 28 unless trade, last-second negotiations bring about a deal.

To add to the tension, many Japanese and Germans are convinced that the United States has let the value of its dollar drop against their currencies, in order to damage their export trade. The United States will reject that idea, pointing out that it is only a dollar that it will ask for help, when it needs it, to support its dollar on the international markets. Such mutual suspicion will almost certainly exacerbate the trade dispute.

That race could overwhelm the other national. Both parties have promised to be civil—and to avoid the topic. But Clinton's best efforts as chairman may not be enough to enforce those promises or dispel the gloom. According to "The Halifax G-7 Summit," an in-depth study by Dalhousie University's Centre for Foreign Policy Studies, there are plenty of important trade issues on the table: the admission of China to the WTO, the ongoing negotiations on financial services and telecommunications, the upcoming talks on services, the pressing search for investment rules.

But the summit may extend itself largely if it simply manages to reaffirm trade policy. As British High Commissioner to Nicolas Byrne, an international expert in G-7 summitry, told *Albion*: "The Europeans and the Japanese are convinced that what we need to get out of this summit is a strong statement of attachment to the multilateral rules governing world trade as embodied in the WTO." Canada also has an enormous stake in that outcome. Gordon Brown, an architect of the Canada-U.S. Free Trade Agreement, pointed out that Canada has a \$28.4-billion trade surplus with the United States in 1994. "It doesn't take a rocket scientist to figure out that this [U.S. trade] pays off politically as we're the new chags."



## WHAT POLITICAL ISSUES ARE FRONT AND CENTRE?

The summit partners had a lengthy list of issues to ponder: including the future of the remaining Chernobyl nuclear reactors that are still operating in Ukraine. Then, along came the hostage-taking crisis in Bosnia, which challenged the United Nations' very authority and power. And that issue, and its implications for all UN operations, will certainly dominate the summit's second day. The partners will first want to examine how the crisis itself happened. They will listen carefully to the advice of Russian President Boris Yeltsin, whose nation has traditionally cultivated close ties with the Serbs. And they will seek highly unpleasant choices: they can simply leave, they can pull out and resume air strikes, they can halt the air strikes, maintain their ground force and perhaps seek the status quo de facto.

But the Bosnian situation epitomizes broader questions facing the United Nations. As Foreign Affairs Minister Andrei Kozyrev told the General Assembly last year: "Too often, the United Nations' intervention comes too late and is carried out under inadequate conditions." He suggested that UN officials should concentrate on the direction of potential trouble spots. It should also have, as an Emergency, lists of experts in fields such as election supervision who would be willing to move into troubled countries. And he suggested

that the UN should be able to keep the peacekeeping force in Bosnia in a key reserve.

## WHAT ABOUT THE FUTURE?

It is easy, and perhaps wise, to be somewhat cynical about the summit process. After all, UN trade gatherings in the White House lobby have slipped into a two-day cycle that often produce nothing but perfunctory comments. But the G-7 summit has also become an integral part of an elaborate, year-long cycle that does actually get things done. Through its linkages into the IMF, the World Bank, the 23-nation Organisation for Economic Co-operation and Development and the United Nations—and through its own committees such as the regular G-7 meetings of finance ministers and central bankers—the G-7 has accomplished much. It has provided the world's trade negotiators to an agreement and the creation of the WTO. It has reached out to Russia and to the central European nations after the breakup of the Soviet bloc. It has co-ordinated everything from currency market intervention to the formulation of diplomatic approaches to China. Perhaps most important, it has brought world leaders into regular face-to-face contact, forcing them, and their bureaucracies, to concentrate on international issues—and to resolve international disputes.

Still, the summit's future is cloudy. It is obvious that countries such as China and Indonesia are growing in economic might. But the G-7's agenda to include these nations, it loses the advantage of being a club of "like-minded" democracies. And if it adds one or two countries, why not three or four? Then, it becomes too big to be truly effective. Dalhousie University political scientist Gilbert Walker says that the G-7 may simply end over the next 10 to 20 years. "In that case," he says, "we would probably see the Chinese become so strong that the G-7 might become irrelevant." It is a future that the partners themselves must ponder as they gather, for the 23rd time, around the summit table. □

## AN UNCOMFORTABLE GUEST

It was a relatively informal meeting last September, a working dinner at Chateau de la Cour, the residence of the British prime minister. But as John Major dined his guests upon a bowl of soup, his guest of honor, Russian President Boris Yeltsin, pushed away the plate of shrimp before him. "This prime minister has soup and I don't," Yeltsin complained, as craning to a British official who was present at the meal. Yeltsin, visibly not sure—aware that Major had requested an alternative simply because the British do not agree with him, as Yeltsin prepares to attend the G-7 summit in Halifax this week, that contempt as a not-so-bowl illustrates the sensitivity to perceived slights that Russia's leader will bring as he presses his country's case for full membership in the group.

"Yeltsin wants to show that Russia is still a major power," observed one Moscow-based western diplomat. "But his status will be somewhere between that of a guest and a prospective member—not the most comfortable of positions." To be sure, both Yeltsin and this year's G-7 chairman, Prime Minister Jean Chrétien, have tried to put the best possible face on the Russian leader's Murmur. Yeltsin in Halifax. After Chrétien visited Moscow last month, the Prime Minister announced that Yeltsin would have greater access to G-7 members than he did at last year's meeting in Naples. That hope was greatly renewed by Yeltsin. He promptly became the Group of 7's East-West relations made, however, halting progress towards a market economy, a corrupt business environment and a money-drawing animal war in Chechnya all argue against Russia granting a full membership in Club G-7 anyone soon.

Yeltsin, in fact, will arrive in Halifax on Friday—after the G-7 leaders have wound up discussions among themselves on such key economic issues as new operating methods for the International Monetary Fund and other financial institutions that are often deeply involved in the Russian economy. The Russian leader will attend a working dinner that evening at which international policies will be on the menu—and Chrétien has promised to brief him on money matters discussed earlier in the day. Despite that agenda, Russia officials say Yeltsin will appear to have a more relaxed attitude than his recent counterparts who are among the Kremlin's leading creditors—in considerable reaching out of the \$105 billion in debt Russia owes to foreign governments and banks. And as an attempt to win the issue of Russia being a signatory at the summit, Yeltsin is expected to appear that



Yeltsin: a chance to show Russia that their country still has major-league status

his country, too, is a major creditor because of the money—and largely unrepayable—loans that the Soviet Union made to major allies in Iraq.

Above all, Halifax provides Yeltsin with a stage on which he can consort with fellow leaders, demonstrating to the folks back home that Russia still has major-league status. According to Viktor Kramarenko, deputy director of the U.S.A.-Canada Institute in Moscow, preserving that standing has been Yeltsin's top foreign policy goal. Kramarenko also believes that Yeltsin's attitude towards the G-7 is motivated by domestic considerations—namely his efforts to retain power in next year's presidential election. "Halifax allows him to demonstrate that he has access to leaders who regard him as a peer," says Kramarenko. "They realize that he is deeply flawed, but he is Russia's first elected president." And, he doubts, excited to see what the other leaders are having.

MAURICE GRAY in Moscow

## WHO'S WHO AT THE SUMMIT



**CANADA**  
Prime Minister  
Jean Chrétien, 61  
In office since  
Nov. 4, 1993  
GDP: \$713 billion



**UNITED STATES**  
President  
Bill Clinton, 46  
In office since  
Jan. 20, 1993  
GDP: \$6.13 billion



**JAPAN**  
Prime Minister  
Tomichi Maruyama, 71  
In office since  
June 25, 1994  
GDP: \$5.42 billion



**GERMANY**  
Chancellor  
Helmut Kohl, 65  
In office since  
Oct. 4, 1962  
GDP: \$2.4 billion



**FRANCE**  
President  
Jacques Chirac, 62  
In office since May 17,  
1995  
GDP: \$1.82 billion



**ITALY**  
Prime Minister  
Lamberto Dini, 64  
In office since  
Jan. 26, 1995  
GDP: \$1.32 billion



**UNITED KINGDOM**  
Prime Minister  
John Major, 52  
In office since  
Nov. 26, 1990  
GDP: \$1.19 billion



**EUROPEAN UNION**  
President  
Jacques Santer, 46  
In office since  
Jan. 23, 1995



Sarajevo residents dodge sniper fire during a rescue mission by French peacekeepers. *Inset messages*

Moscow, military officials in Ottawa and other Western capitals begin drawing up contingency plans for a possible withdrawal of all UN peacekeeping forces from the former Yugoslavia. And as it is impossible for the failure of peacekeeping efforts in the Balkans, renewed fighting broke out between Croats and Serbs in and around the Serbian enclave of Krajina in independent Croatia.

The current crisis began three weeks ago when 377 UN soldiers were captured by Bosnian Serbs in retaliation for NATO air strikes. Since then, the negotiation to secure their release have involved an unlikely player: Serbian President Slobodan Milosevic, a man widely vilified in the West for fanning the flames of ethnic hatred in Bosnia with his calls for a "Greater Serbia." Milosevic officially severed ties with the Bosnian Serbs last August, expressing frustration with their repeated refusal to accept a peace plan that would have partitioned Bosnia into Serbian, Muslim and Croatian sectors. But in an apparent effort to end a three-year UN trade embargo against his country, Milosevic intervened directly in the hostage crisis last week by dispatching his security chief, Jovica Stanić, to the Bosnian Serb stronghold of Pale. There, Stanić proved that Serbs still wield tremendous influence over all Bosnian citizens. "We have been continuing our mission for releasing members of the United Nations," said Stanić, pointing what he termed the "Bosnian Serb" "positive atmosphere concerning the international community."

But if that "positive atmosphere" existed, it was shattered in a series of armed messages sent by the Bosnian Serbs last week. At the same time that the hostages were arriving in West Saraj, the three-year old battle for the Bosnian capital of Sarajevo was undergoing an upsurge. Serbs clashed with Muslim government forces in the heaviest fighting in weeks. The Serbs raised heavy artillery on their positions in the hillsides surrounding the city, sending civilians to the streets below searching for cover.

Adding to the confusion was a series of conflicting statements from the Bosnian Serb leadership. First, Radovan Karadzic, president of the self-proclaimed Bosnian Serb Republic, warned that his forces would not tolerate any attempt by UN troops to push into beleaguered humanitarian supplies—and firing Red and white—through the Serbian lines in the surrounding mountains. Then, after six hours of talks with a representative of the UN High Commissioner for Refugees, the Bosnian Serbs made a dramatic about-face: agreeing to reopen the aid routes into Sarajevo for food, medicine and other humanitarian supplies. But then, Karadzic's Bosnian Serb vice-president Nikola Kolundžić said: "The humanitarian step is always the first and most important step."

Despite these words, the Bosnian Serbs

continued to shell only Sarajevo but three other UN "safe areas"—Rahov, Srebrenica and Gatare. And during the rescue of O'Grady, two UN-42 Sea Stallion helicopters exchanged gunfire with Bosnian Serb militiamen. As the rescue helicopters sank off, ferrying the 28-year-old O'Grady to safety aboard the amphibious assault ship USS Kearsarge in the Adriatic Sea, Bosnian Serbs unsuccessfully fired a surface-to-air missile at them.

In recent weeks Bosnian Serb defiance has renewed calls for a re-examination of the UN mandate in the former Yugoslav/Serbia. Some, including members of Canada's Reform party, have even called for a complete withdrawal of

entire House of Representatives voted 238 to 180 to require Clinton to lift the embargo—a measure that the President has vowed to veto.

That same reluctance to be drawn deeper into the Bosnia quagmire prompted the UN to endorse the so-called "15-Point Military Strategy" from Britain, France and the Netherlands, which agreed that their proposed rapid reaction force operation would only come to the rescue of threatened UN units in emergencies, and would focus on repositioning UN troops and ensuring their freedom of movement. "It is not useful to go into a combat mode," insisted Rafi Avner, UN undersecretary-general for peacekeeping. "It is not a fighting force." Still, some observers, including several high-ranking Russian officials, have expressed concern that the force will further blur the lines between "peacekeeping" and "peace enforcement"—thereby blurring UN neutrality in the report.

Foreign Affairs Minister Andre Ouellet said that Ottawa is still considering whether to participate in the force. Canada originally appeared to be involved but reconsidered when asked to participate by fellow NATO countries. Defense department officials also confirmed that they had put together a contingency plan to withdraw peacekeepers from Bosnia—including 853 Canadians currently there. The reasons—dubbed Operation Coda and Wolfy to involve 1000 troops from the Royal Canadian Regiment and the Royal Canadian Dragoons in Petvarova, Cro., and the Prince of Wales in Calgary—has not received political approval. But the Canadian forces have been put on alert in case the plan is implemented.

Of the 18 Canadians still held hostage by the Bosnian Serbs, 11 are peacekeepers and one, Capt. Patrick Rocher of Calgary as a UN monitor. Rocher has been held since May 26, when he was captured and chained in a post at an ammunition dump near Pale, headquarters of the Bosnian Serb army.

But in Western governments worried about their next moves in an increasingly volatile region, Bosnian foreign minister Milorad Stokich complained that they had become more concerned about their own peacekeepers than about the safety of Bosnian civilians under Serbian siege. And he openly questioned the West's willingness to bring the war to a negotiated end—to bring an end to the fighting. "What in fact we desire the theoretical aspects of the force, there are events on the ground which are becoming irreversible in their consequences," he complained. As Stokich himself pointed out, however, among those is the death of innocent civilians.

SCOTT NEEDLE with commentary report

## Bosnian Serbs continue to stymie the West



Rescued pilot O'Grady: 'a shot in the arm'

peacekeepers from the region. But the tension was most apparent in Washington last week, when Clinton faced fierce opposition from Democrats and Republicans alike who accused him of weakness on the Bosnian issue. Senate Majority Leader Robert Dole of Kansas, the Republican front-runner to challenge Clinton in next year's presidential race, called for a complete US pullout paired with a unilateral lifting of a UN arms embargo against Bosnian Muslims so they can better defend themselves against the Serbs. And the Republicans

# DEFIANT ACTS

**WORLD**

And the truces of war, it was a particularly violent turn of events. Twelve days after Bosnian Serb militiamen took down hostage 108 prisoners, UN peacekeepers identified all two hours last week at a holiday resort outside Novi Saraj, about 70 km northwest of the Serbian capital of Belgrade. Fanned after long on incense rituals of soap and bread, the soldiers were escorted into a vast, flat complex of low wooden buildings and cots overlooking the Danube River. Inside, soldiers beamed over ammunition belts set with white ribbons and in places. Only hours earlier, the 28 Ukrainians, 28 Frenchmen, 17 Britons and one Spaniard had been held by the Bosnian Serbs in human shields against NATO air strikes. Now, suddenly, the exhausted and bewildered peacekeepers found themselves treated as honored guests. Their release followed within hours by the firing of three UN military observers—one

of June 8, crack U.S. marine commando staged a daring rescue of U.S. air force Capt. Scott O'Grady, missing since Serbian fighters shot down his F-40 jet in northwest Bosnia during a NATO air strike on days earlier. President Bill Clinton, facing mounting domestic criticism of his Bosnian policy, heralded O'Grady and his rescuers as "American heroes." And U.S. NATO ambassador Robert Slater called the dramatic rescue "a real shot in the arm."

That aside, developments in the Balkans continued to frustrate and embroil Western leaders last week. In Brussels, NATO defense ministers met to work out the details of a "rapid reaction force" of about 15,000 troops. French and Dutch troops intended to bolster the United Nations' beleaguered peacekeeping operation. But the tough talks had not accomplished the success of deployment quickly expected when it became clear that the new force would have to operate under the most UN mandates, and contained structure

## Forging new partnerships

**T**ellingly, there were a few glitches in trade ministers from Canada, the United States, Mexico and Chile. In Toronto last week to begin a supposedly straightforward negotiations that would make Chile the fourth partner in the North American Free Trade Agreement (NAFTA) in New York City, for out, deluged U.S. Trade Representative Michael Kantor and his team, James Brash, might be right. The chairing, that is, the transfer of the official start of negotiations also took longer than expected to work out, because of nervous air crashes over working and intentions. Finally, everything settled, there was a last-minute by a handful of protesters opposed to free trade. None of the glitches proved fatal, however, and the deal was struck on a very prompt. See Canadian International Trade Minister Bob Mulroney, who has been seen

the chief proponent of Children's accession to NATO.

Bill, there was a clear sense that this trade deal may prove more difficult to negotiate than previously advertised. "There are sticky issues here, still outstanding," said Ted Mosman, executive director of the Canadian Foundation for the Americas. There was even some debate about how long the talks might last, with Maclean's hoping for a deal by year-end, while his friend, Eduardo Anzures, Chile's Harvard-educated finance minister, says they could take as long as a year.

The idea of bringing Chile into NAFTA arose last fall with the help of a strong push from the Canadian government—which

wants more members in the trade club to counter the overwhelming weight of the United States. One sign of Canada's growing interest in Latin America, Mulcaugh has learned, is the decision by Ottawa, not yet

announced, to upgrade consulates or trade offices in Uruguay, Panama and Ecuador to the status of full-fledged embassies. In addition, the department of foreign affairs plans to enhance the bureaucratic ranking of its Mexico desk.

As a bi-geographic summit in Miami last December, the three central NAFTA partners consolidated themselves to creating a new free-trade zone in North and South America by the year 2005—starting immediately with Chile. But since then, the idea of a "North America," as Prime Minister Jean Chrétien put it, has run into several problems. Within weeks of the summit, Mexico suffered a currency and economic crisis that made some critics question the notion of trade agreements with developing countries. As well, the arrival of newly elected Republicans in Washington in order this year, who oppose free trade, has created a climate in which handling the negotiations will be difficult. There are also some fears that development professionals' interests in the United States could cloud the agreement.

The race battle—and potentially the only major stumbling block—will be fought in the U.S. Congress over negotiating authority for the administration, known as fast track. But officials from all four countries discounted the possibility of failure. "I think the President will get fast-track authority," said James Blighard, U.S. ambassador to Canada, adding that American opposition has been exaggerated.

As *Amint* told *Marlowe's* last week: "We don't think we're taking much risk."

Chile is one of the most developed economies in Latin America. Tariffs are almost low, inflation is under control and democratic politics have returned after more than two decades of instability and military rule. "It's an economy that works," says Tom d'Aguanno, president of the Ottawa-based Business Council on National Issues, a lobby group that supports Chile's inclusion. Canadian compa-

lecular issues that they will not allow the negotiations to become sidetracked into a reexamination of NAFTA, or to be used as a pretext to allow a trade dispute among the nations to become a justification for a restriction of their security about U.S. intentions and efforts about the close of the procurement lobby in Washington. "There will only be changes that allow Chile to accede to NAFTA," Mexican Commerce Secretary Hernandez Illanes stressed. NAFTA also comes with side deals on labor and environmental standards, which Chile is prepared to sign. Despite some opposition among Republicans in the U.S. Congress, Canadian and Mexican officials say that without the side deals, there will be no agreement. "In our view," said MacLaren, "they are part of the package."

The economic hangover from Mexico's post-crisis last winter—trade officials describe it as "the lagoon effect"—has undoubtedly weakened support for an expansion of NAFTA, particularly in the United States. Still, all three countries mounted last week that the trade agreement is one of the reasons that Mexico's economy has started to recover. "NAFTA is not the problem," said Escobar. "It is the solution." But Annan acknowledged that Mexico's problems could delay an agreement. "It provides some noise," he said. As the negotiations begin, he must hope that the noise will not become deafening.

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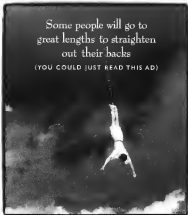
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# World NOTES

## Issuing an order to kill

South African President Nelson Mandela faced a barrage of criticism from both blacks and whites as the value of his assistance that he had ordered security guards working for his African National Congress to repel an attack by the rival Inkatha Freedom Party "even if they had to kill people." During a rowdy parliamentary debate in Cape Town last week over the deaths of eight people outside the ANC's Johannesburg headquarters on March 26, 1994, the 76-year-old president defended his decision, calling them "nothing more than this a statement of the common-law right to self-defence."

The critics were among at least 50 people killed in a riot around Johannesburg during an Inkatha march against the terms of South Africa's first all-race elections, won by the ANC the following month. Mandela will be asked on information that Inkatha planned to attack ANC headquarters, destroy crucial documents and kill party

leaders. Inkatha leader, Mangosuthu Buthe, has often threatened at Mandela's election government at national level, attended the election but did not speak in his own defence. His secretary general, Zola Juma, however, attacked the ANC and called for Mandela's resignation. "The ANC is the common denominator in all the violence in South Africa," said Juma.

In June, Mandela accused Buthe of fomenting political violence in which 1,000 people have died since the historic vote—mostly in the KwaZulu-Natal region. But he was silent during the debate. Was National Party leader and Deputy President F. W. (Frenk) de Klerk, president at the time of last year's election, when

Mandela has accused of taking to set on a warlike of national conflict. Other National Party speakers, however, repeatedly questioned why Mandela had waited 14 months to reveal his role in the incident, and demanded a full judicial inquiry into the shootings.



Mandela's critics

## Child labor

The Indian government estimates that about 20 million of its school-age children are illegally employed in factories—many in the carpet industry. But activists put the figure closer to 50 million. And last week, leading labor organizations and more than 300 Nobel laureates expressed concern over alleged threats made against the country's chief opponent of child labor, Kailash Satyarthi. Satyarthi, chairman of the South Asian Coalition on Child Servitude, has been subjected to police harassment. He was arrested in early June at his New Delhi house and accused of obstructing a local carpet manufacturer, which claims it lost a multimillion-dollar export contract because of Satyarthi's participation in a German TV documentary depicting child slavery in the Indian carpet industry. Satyarthi, who claims he has recently received death threats, has called on foreigners to stop buying goods made by companies employing children.

Meanwhile, in neighboring Pakistan, police in Lahore arrested last activists from the

Bandaged Labor Liberation Front who have gone out against child labor practices in that country. The group also says that police detained 13 children of labor. Most, a 13-year-old child laborer, were arrested when they were shot and killed in April. Activists have accused at least one of those arrested with carrying with him a machine to damage the reputation of Pakistan's carpet industry.

## Grisly details

In Los Angeles, the jury in the double-murder trial of G. J. Simpson sat through several days of graphic evidence last week, including autopsy photographs of his ex-wife, Nicole Brown Simpson, and her friend Ronald Goldman. After cornered Dr. Laskerstein told Simpson's physician how an assailant had cut Goldman's throat with two slashing motions, twisting the knife as it came out, a 37-year-old female member of the jury left the courtroom sobbing. The coroner also explained how Nicole Simpson's stomach had held her from behind, slapping her back so deeply that her spinal cord was partially cut.



## BUSINESS

# THE WINNING BREW

Two years ago, acquisition-hungry executives at Belgian-based Interbrew S.A. turned their attention to the \$30-billion North American beer market. Their chief lure: family-controlled company was Europe's fourth largest brewer, with sales of more than \$2 billion in 88 countries, and it was snapping up breweries in emerging markets such as Romania and southern China. But Interbrew's big targets, beers such as Stella Artois and Jupiler, were virtually unknown in North America. And after exhaustive study, the latter brew executives decided there was simply no way to crack that highly competitive, mature market.

Then, three months ago, an opening suddenly appeared when takeover artist Gerald Schwartz of Toronto-based Oxxco Corp. began laying the groundwork for a hostile bid of \$2.3 billion for John Labatt Ltd. of Toronto. Within the next 10 months of international brewers, Labatt managers put out the word that they would welcome a so-called white knight, a friendly bidder who made sense on the Oxxco offer. Working privately in secret sessions with a trio of top Labatt execu-

tives, the Belgians brewed up a \$2.7-billion offer for Labatt that appeared last week to have won the coup. Labatt's board of directors endorsed the deal, although it is not expected to close until summer and is still subject to an Investment Canada review. Rigo Powell, president of Labatt Breweries of Canada, told *Maclean's*: "Right from our first two-hour meeting, we saw that our companies shared many values. We realized we had a chance to get a committed, patient owner who could provide great growth potential."

Interbrew has already set out a strategic plan to take advantage of the synergy between the two operations—and it entails major surgery for Labatt. The company, which started brewing beer in London, Ont., in 1847, will be a part of its entertainment holdings, which include The Sports Network, Le Réseau des Sports, an 88-per-cent stake in the Des Moines Sports and a 43-per-cent stake in Toronto's SkyDome. The Toronto Blue Jays baseball club, 56 per cent owned by Labatt, and the wholly owned Toronto Argonauts football team are also likely to be sold, although Interbrew's Canadian spokesman Bruce MacLellan,

**Labatt's Powell at head office: Right from our first two-hour meeting, we saw that our companies shared many values**

says that no final decision has been made as the fate of the sports teams. Under Interbrew's guidance, Labatt's push into the U.S. and Mexican beer markets will be stepped up, and the company's ongoing Canadian advertising war with rival brewer Molson Coors Ltd. will continue. As Interbrew's Belgium-based spokesman Gerald Fischer said: "It's very simple. Write letters, not managers of hockey or baseball teams or television stations."

Labatt's entertainment holdings, which employ 454 people, are expected to be sold in short order. Company management were talking last week with investors, and industry analysts listed Clifford Global Communications Corp. of Winnipeg as a possible buyer of the television network. The money raised from such sales will pay down \$1.6 billion in acquisition loans assumed by Interbrew by a bank group that includes the Canadian Imperial Bank of Commerce—Interbrew has put up \$1.3 billion in cash for the Labatt purchase. Powell says that money raised from selling the entertainment divisions should generate up to \$2 billion for debt reduction over the next year.

Conservative financing is one of the cornerstones of Interbrew: a private company that is

now has both paid to establish and develop specific regional brands. Powell says, "We look at Canada as 10 different regional markets at most as 10 countries, and see the United States as at least 50 different markets." Interbrew also backs a series of local beers within its vast empire—only Stella Artois is considered an international brand.

Boosting Labatt's growth means expanding these regional niches, particularly in the United States' Midwest. Sales are a beer brewed in British Columbia, and Washington, Oregon and Idaho, while Hultshaven Alexander Kertke beer will be exported into New England. Mexican beers from Mexico, such as Dos Equis and Tecate, will be heavily promoted in about seven major U.S. cities with large Hispanic populations. Labatt, Powell says, projects that its sales in the United States will increase by up to 28 per cent annually over the next five years. Last year, Labatt turned a \$55-million profit on U.S. operations. Overall, the company made a \$225-million profit in 1994 on sales of \$2.3 billion.

In Canada, local managers are expected to remain in charge of Labatt's brewing operations. Powell, 50, will be in Belgium next week to discuss his role. Chief executive Taylor, 54, has already stated that he will take early retirement.

Whatever general changes lie ahead, the battle with Molson for the hearts of Canadian beer drinkers will continue. Molson now holds 47 per cent of the domestic market compared with Labatt's 44 per cent share. But Labatt has steadily gained ground: in 1991, Molson had a 52.3-per-cent share and Labatt held 45.9 per cent. By 1996, Labatt expects to be the leading Canadian brewer. And to attain that objective, Powell says the company must invest \$200 million each year, working in Canada last year—will exceed \$40 million less than Molson. "The costs of the acquisition will have no effect on our marketing and R & D spending," he said. "We will continue to do what is needed to remain competitive." Powell added that Interbrew is anxious to use and to license Labatt's proprietary technology in foreign markets. Exports on beer-making techniques, for example, eliminate the need to start beer in steel tanks for up to three weeks after brewing, which can translate into savings of about \$20 million when building a brewery.

Meanwhile, the saga who launched the takeover of Labatt, Oxxco chief executive Gerald Schwartz, will be well compensated for his initiative. Oxxco was able to buy 2.8 million Labatt shares at an average of \$20 each prior to making its \$24-a-share bid. It will make a \$29-million profit when it sells these shares to Interbrew, which has offered \$28.50 a share for Labatt. Schwartz estimates Oxxco will walk away with about \$5 million more in legal and brokerage fees are covered. After paying its financial costs by using up \$940 million in equity financing for the Labatt deal, Oxxco is now hunting for other acquisitions. Also on Schwartz's plate this summer are plans for a \$300-million investment in a Los Angeles movie studio joint venture with Sony Inc., plus the acquisition of the recent takeovers of a U.S. airline carrier and a food-chain supplier.

Sch. Schwartz is not taking the loss of Labatt lightly. Over the past 12 years, Schwartz has built Oxxco into a company with 86.5 billion in sales by winning takeover battles—and losing them. He told *Maclean's*: "George Taylor was able to come up with a terrific bid for Labatt while under a tremendous amount of pressure. I congratulate him." But Schwartz adds, "I am deeply disappointed by how things worked out. Some someone who is always a good buyer, and I'll show you a loser."

While analysts agree it is worth to Interbrew's offer for Labatt, there was some criticism last week about the fact that Interbrew is guaranteed if a rival bidder is bid for Labatt. It deflected the Belgian brewer would receive \$85 million in cash from Labatt plan on the origin to buy Labatt. Labatt is offering up to \$115 million to Oxxco. Molson has a 10 per cent of the Labatt beer market and is expected to have a 16 per cent in 1995. Several national food managers complained that the fee was overly generous, given Interbrew's limited role. Said Schwartz: "This fee is huge and should be seen as compensation by all shareholders since it prevents a real bid from coming forward." That, in a fiercely competitive industry, all too often what it comes to the war for global market share.

## A Belgian-based brewer steps in to claim Labatt takeover bid

56 per cent controlled by Belgium's Van Denesse and six brotherhood families. The brewer has been making beer in Europe since 1846, and its 1840-based board of directors includes two lawyers, two counts and a scientist. The chief executive is Hans Morillon, and it was his personal call to Labatt's chief executive officer, George Taylor, first led to a secret gathering of the top three executives from each brewer—without involvement either at the offices of Labatt's firms, Hines, Canada & Graphco, a block away from Labatt's Toronto headquarters. That two-hour meeting in April led the groundwork for it to do. Although MacLellan declined to give interviews last week, he said in a news release: "John Labatt is an extremely attractive asset, in line with our company's global strategy of growing into a major international brewer."

Interbrew's aggressive plan to expand into global markets are typical of the increasingly international consumer products sector: under attempts and acquisitions have been completed by soft-drink, cigarette and soap makers. Says analyst Irene Nattoli of RBC Canada Ltd.: "A brewer in a mature market, where volume is at least, can fight for market share, but that is not an easy job." She added, "brewers are looking ahead for growth, acquiring established domestic brands in other mature markets or targeting the emerging markets."

When the entertainment assets are stepped away, market similarities emerge in the beer marketing philosophies at the Canadian and Belgian companies. Rather than push worldwide brands, the strategy used by Dutch brewer Heineken NV is to sell its flagship beer bottled beer sold by Anchor Brand at St. Louis, Mo., is not Ted Drewes—Labatt and beer





BUSINESS

# The Lotus position

IBM's bid for Lotus software marks a new era

The letter that IBM chairman and chief executive officer Louis V. Gerstner Jr. sent to many of the firm's 200,000 employees last week contained both a question and a rather blunt answer. The letter was based on some simple facts. Millions of people, both at work and at

home, are increasingly using computers linked to networks that allow them to exchange information at virtually every hour. The market for the computer programs that link all those keyboards into networks has become an explosive business, climbing to \$8.1 billion in just four years. And in his

**Gender: very powerful combination**  
 means, Gerstner questioned how IBM can become the leading supplier and developer of networking software. His solution, he informed his staff that IBM was making a six-price \$4.5-billion hostile bid for Lotus Development Corp. of Cambridge, Mass.—one of the largest and most innovative computer software developers in the world. "It's very, very powerful to combine these two companies," Gerstner said later. "It's breathtaking."

If successful, Gerstner's run at Lotus could accelerate IBM's dramatic turnaround. Since becoming head of the Armonk, N.Y.-based computing giant in 1985, Gerstner has led off 20,000 employees. And, thanks primarily to recovered strength in the sale of its large mainframe computers, IBM was able to post a \$4.1-billion profit in 1994, after consecutive years of multi-billion-dollar losses. Even so, the firm has not been able to maintain a lead in the lucrative personal computer sector, a business that it helped to create in the early 1980s. Industry analysts say the acquisition of Lotus could ultimately help to boost the sale of Big Blue's small computers and related products by providing the firm with a stable of top-selling computer software. But the product that IBM wants most from the takeover is Lotus Notes, a cutting-edge program that can link thousands of personal computers together into powerful networks. Lotus is currently the market leader in the highly profitable sector. The acquisition of Lotus would also help IBM to push market share from its archrival,

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## CONCLUSIONS

Microsoft Corp. of Redmond, Wash., the world's leading software developer, Microsoft has been trying to develop a global intranet program to compete with Lotus Notes, called Microsoft Exchange. But it has been slowed by technical problems, and is not expected to introduce Exchange until 1998 at the earliest. With Lotus' clear lead in Lotus Notes, which already has some 1.6 million users worldwide, could eventually become the standard in the emerging business net working sector. Said Steve Mangan, an analyst at securities dealer Morgan Stanley in New York City: "This makes it harder for Microsoft to catch up."

The \$60 (11%) bid for each of Lotus's 58 million shares also indicated another shift in corporate culture under Gerstner. For the first time, IBM has entered the world of hostile corporate takeovers. And like that, IBM appears to be ready for a fight. In fact, even as Gerstner was making his announcement, *Wired* filed a lawsuit in Washington that attempts to overturn Lotus's anti-takeover defense, which allows the company to flood the market with Lotus shares by selling additional stock to shareholders at half the current market price.

Prior to Germany's announcement, Lotus shares were trading in New York at \$22.30, down from \$45.25 last February and \$88.50 in March 1994. The shares immediately jumped to \$62.75 on IBM's offer and continued to climb slightly higher as the speculation that IBM may still have to sweeten its bid. The price of Lotus shares has recently been hurt by the fierce competition for market share. In the first quarter of 1995, the firm reported a loss of \$25 million (Xfd) compared with earnings of \$29.5 million in the same period last year.

If successful, IBM will immediately face the challenge of integrating two radically different corporate cultures. Gerstner has stated that to preserve the more creative atmosphere at Lotus, he intends to let the firm operate independently of IBM. Analysts also say that IBM should retain the core of brilliant design engineers who have created Lotus Notes.

IBM's decision to pursue Lotus could also trigger a round of takeovers in the computer sector. Dennis DePue, an analyst with Forrester Research in Cambridge, Mass., says that profits in the computer sector are being squeezed because most computer firms now offer a range of very sophisticated products. Still, consumers are not buying those products as fast as they used to. "The computer manufacturers are applying for loans from large firms that can stand behind their products. And as a result, companies may decide to acquire new market share by taking over their rivals." "We're in a period of consolidation because it is so difficult to compete with technology alone," said DePue. "You need a presence in the marketplace and corporate integrity to make a buyer feel comfortable." And with the potential purchase of Lotus all but locked up, Gerstein may also be feeling a little more

TOM FENSTEL



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# Business NOTES

## Inco buys into Voisey Bay

Inco Ltd. of Toronto has assumed the rapid development of a massive nickel deposit in Voisey Bay, Labrador. Last week, Inco acquired a 35-per-cent stake in the Voisey Bay property as well as two million shares in Diamond Fields Resources Inc. The Vancouver-based mining company, headed by Robert Friedland, discovered the deposit. The \$700-million deal will give the company a controlling share and reduced interest of about 30 per cent in the Voisey Bay claim and Diamond Fields.

Inco, the world's largest metal producer, said that production at the site could begin before the end of the decade. But first, the company and the Newfoundland government will have to reach agreements with native groups that have laid claims pending in the courts. Inco will have the right to mine 150 per cent of Voisey Bay nickel and cobalt in the first five years of production, then reach the normal nickel production in estimated at 130 million pounds. With the price of nickel at the current level of about \$5.50 a pound, that amounts to revenue of about \$650 million a year from the nickel alone. In add-



Friedland: hot property

tion, it has the right to market at least 130 million pounds of nickel a year for a further 15 years. Diamond Fields will find another buyer for the metal's significant copper deposits.

News of the investment boosted Inco stock but cooled some of the stock market's speculative fever over Diamond Fields' shares, they tumbled about \$10 to \$66.25 each on the Toronto Stock Exchange. Earlier in the month, Diamond Fields' shares climbed to \$80 as investors speculated on the value of the rich, but still only partially discovered, deposit. Last week, Inco chairman Michael Sefler said: "This has been described as the most significant basic metal discovery in Canada in 30 years. That may prove to be an understatement." The stock market responded favourably, pushing up Inco's share price by \$1.25 to \$74.85.

Inco is the second major Canadian mining company to take a piece of the action. Earlier this year, Vancouver-based Teck Corp. bought a 10-per-cent interest in Diamond Fields for \$100 million, or \$20 a share. The shares had traded as little as \$7.30 in the past year.

### STAR SEARCH

This man topped as the next head of the Hollywood entertainment conglomerate MCA Inc. broke off negotiations with MCA's controlling shareholder, Seagram Co. Ltd. of Montreal. Michael Ovitz, the 45-year-old founder of the talent agency Creative Artists Agency, is considered one of the top power brokers and dealmakers in the industry. Seagram is looking for a new leader to replace current MCA chairman Lew Wasserman, 82, and president Sidney Sheinberg, 60.

### VESCO NETTED

Fugitive U.S. immigrant Robert Vesco has been arrested by authorities in Costa Rica, where he has lived for the past two decades after fleeing the United States. Vesco, 60, moved to Costa in 1972 to avoid prosecution on charges that he bilked investors in a Switzerland-based mutual fund, ICS Ltd., out of an estimated \$350 million.

### CHILLING FACT WINDS

Economic growth in Pacific region countries will cool during the next two years, according to the Pacific Economic Cooperation Council. Growth will slow to a weighted average rate of 4.1 per cent in 1995 and four per cent in 1996, down from 4.7 per cent in 1994.

### EMPOWERMENT PAYS

Companies that train workers, involve them in decisions, give them a stake in the business and keep their inventors keen are likely to reap financial rewards, a new study says. Commissioned by the U.S. labor department, the study is the first comprehensive examination of the impact of innovative workplace practices on corporate results.

### A POSITIVE PROGNOSIS

Canada is better positioned to weather the economic storm of a Quebec referendum campaign because of concerted federal and provincial efforts to control deficits and debts, the governor of the Bank of Canada said in a speech in London, England. Gordon Thornton noted that the country will go into a referendum campaign in a strong position because of the commitment to spending cuts.

### AIR CANADA FLIES EAST

Air Canada says it may set up an airline in China at the request of several local governments. The Montreal-based airline has confirmed that it has been approached by the cities of Chengdu and Chungking, and by Sichuan province in western China. They are seeking a variety of joint ventures.

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## For Sale: Unitel

At the request of its partners, long-distance carrier Unitel Communications Ltd. of Toronto (last week's story) [P. Margolis and Co., a New York City investment bank, to seek buyers or devise a restructuring plan. Meanwhile, two of its security owners may be uninterested in raising their stakes. "We know the direction the company is headed by the end of June," said Charles Carroll, a Unitel spokesman.

Unitel has said June 30 to repay a \$800-million bank loan. At that time, it will also have repaid the \$45 million that it was given by two of its shareholders. Rogers Communications Inc. and US Telephony Group Ltd. The company had been existing on that basis and had its last dividend paid while shareholders and a specialist of its banks attempted to deal a new ownership structure and financing for Canada's

largest alternative long-distance carrier.

Significantly, Rogers, which Toronto-based Rogers announced in late April it would not exercise a \$200-million option to buy a 48-per-cent majority stake in Unitel from Montreal-based Canadian Pacific Ltd. Currently, Rogers owns a 29.5-per-cent interest in Unitel, and New York-based AT&T holds the remaining 22.1 per cent. Unitel reported last week that Rogers and AT&T each have expressed an interest in increasing their stake though no decision has been made by either company. Rogers executives have hinted that Canadian Pacific's selling price was too high in light of Unitel's debt and continuing financial losses, which at one time reached \$1 million a day. Philip Land, vice-chairman of Rogers, has indicated that the likelihood of the whole company being sold is remote because under Canadian law two-thirds of the equity would have to be held by Canadian interests.

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- ☐ Stomach discomfort during or after eating
- ☐ Need to belch
- ☐ The feeling of food coming back up or a better taste in the back of your throat
- ☐ Nausea
- ☐ Gas
- ☐ Medication doesn't work as well as you'd like it to

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**When you see your doctor, ask about motility and discuss all your symptoms.**

In addition to lifestyle and dietary changes, there are treatments that can help.

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While motility problems are common, they can be treated with dietary/lifestyle changes, alone or in combination with medical treatments. Just ask your doctor.

You could feel a lot better for it.

## THE NATION'S BUSINESS



# Going down the political tubes

BY PETER C. NEWMAN

I will take some time to assess the national implications of last week's election upset in Ontario, but the most remarkable pit is that the future of the New Democrats as a national party is now in jeopardy.

Unlike the Liberals and Conservatives, the NDP (led by G.D. Lafleur) has traditionally been a populist movement whose members and leaders felt they should be loved for the canaries they sang. They squandered their political lives descending from successful emulations of voters in open-ended absolute terms for their utopian dreams of a more equitable Canada. By turning their socialism into a religious faith, their driving passion was to become secular saints to the mythical proletariat who populate the Canadian left. But their righteous refusal to dilute their purity of purpose alienated the reality-minded members of the middle-class parties who might have been tempted to join up. This meant that Canadian socialism stood as the conscience of the country, yet second-class citizen to the government.

Ed Broadbent, who led the party from 1976 to 1989, once closed to trying to reverse this philosophy, claiming that "social democratic politics involves both principles and power. To argue only for principles is mechanically self-indulgent." But he never was more than 45 seconds when his party peaked in 1988. Andrew McLaughlin, who succeeded him, looked lovely to what party insiders refer to as "the right and powerful" agenda—rejecting the corporate ethic while preserving Canada's social net. But even beyond for his lament that "even in Ottawa there's nothing but air in their pants except cellular telephones," she walked long hours, but pioneered few new policy directions, except in alternative action. She set the tone of her stewardship when she was recruiting her original staff and, according to one account, confided to an aide that she wouldn't lose anyone who had served on her leader

**Roy Romanow may soon be the only NDP premier, and his socialism is as strong as nonalcoholic light beer left out in the sun**

ship campaign because, "if they worked for me, they can't be very good." In her one election run in 1993 the NDP's share of the vote dropped from 30 to seven per cent with only one caucus survivor, and by the following winter, NDP support had fallen out at four per cent. In that 1993 campaign, so in last week's Ontario contest, protest voters expressed their anger by casting their ballots for the political right, not the traditional left.

At the moment, the NDP's outpost in British Columbia is doomed to defeat. Its families, cabinet resignations and lawsuits have left Mike Sison as a prime candidate for history's dustbin when he faces the people, probably next spring. That will leave Roy Romanow as the party's only surviving face carrier, and his socialism has as much bite as nonalcoholic light beer that's been left out in the sun too long. If that happens, Canadian socialism will have returned to its Saskatchewan birthplace and a weekend-down remnant of the during Regina Minutes, signed by J. S. Woodsworth in 1933.

Bob Rae's defeat was no surprise. From the day he moved into Queen's Park, on Oct. 1, 1995, he was always the harbinger of the gloom. The business community's favorite

comment on his NDP government was to quote from a 1992 broadcast on CTV-TV, when political analyst Goh Vongphut asked cabinet minister Floyd Laughren "When did your government lose its grip on reality?" The provincial treasurer thought (for a minute and replied, "It's hard to pin down precise dates on these things."

Such a thing (Toronto hadn't been this up at since Pierre Trudeau admitted he'd once set out to piddle a canoe to Cuba for a drink with Fidel Castro. It was one thing to have a stylish "Canoe" concerned in Ottawa, but for a socialist to be making to Queen's Park—just a dozen blocks or so northwest of King and Bay—well, that was more than any right-thinking Bay Street capitalist ought to be asked to tolerate. One of the main problems was that there were no effective levers anyone. When Liberal or Conservative governments had taken some raising the heartbeat, the new (and it was nearly all new) who operated those successive administrations were, most of them, former or future Bay Streeters themselves. That meant there was unbridled contact between business and government. (Dad Davis and David Peterson, one of the most recent premiers, now tell us down town Toronto had some kind of a deal.)

Historically, Ontario businessmen enjoyed easy access to power. At least on Bay Street lawyer, Richard Rohmer, had a direct line through a red telephone to the desk of then-Premier John Roberts. With Bob Rae in power, when Bay Street called, it got the quick hand. That attitude was still alive, but the Toronto power brokers looking to get lost and angry. What business objected to was that Ontario had an administration whose agenda was ideologically, instead of modest, driven. Rae had been elected to be different, even if he had wanted to, he couldn't believe like a pink clone of the government parties that had ruled the province in the past.

However justified the NDP approach may have been on economic grounds, it seriously reduced the province's credit rating and put about half of Ontario's industrial expansion. When one major Toronto manufacturer decided to build a new plant in Texas, was asked why he didn't recommend a Toronto site to his board of directors, he replied, "Actually, I did. First, they set their with their mouth hanging open. Then, they burst out laughing. As long as I ask for it, I'm not going to get it. I'm not going to get anything of consequence in this province." That was a harsh judgment, not justified by Rae's words or actions.

The was caught with a budget deficit that dwarfed his actions for more powerfully than his ideology. But he never did comprehend the business community's grip on the province, so that of any politician preoccupied with issues of social justice, was that there never was any meeting ground with the Bay Streeters who reported social justice as an unbreakable luxury and were primarily concerned with the culture of wealth. That you couldn't have one without the other never occurred to either side.

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A message from the Janssen Education Division

# The agony and the innocents

The Crown moves from shocking tapes to gruesome autopsies

For a few heart-breaking moments, the faithful appearance of Kristen French emerges, spontaneously and unexpectedly. In one scene, videotaped shortly after she was abducted while walking home from school on April 16, 1982, 15-year-old French asks Paul Bernardo whether it is just 5 p.m. "My room is going to be warm," she says. In another, French is being forced into sex with Bernardo's then-wife, Katie Hanouka. Hanouka asks French what kind of perfume she likes. "I usually wear Fancité," says French. Hanouka says, "Do you wear Gargoy? Frenchy? Yes," Hanouka. "Do you like it?" French. "I love it." These exchanges are contained in home-made videotapes played last week in the downtown Toronto courtroom where Bernardo is on trial for first-degree murder in the deaths of French and 14-year-old Leslie Mahaffy. But the fleeting glimpses of a teenager with typical tastes and concerns stood in stark contrast to other scenes of a 17-year-old and often smiling French being sexually assaulted and physically beaten—scenes demeaned with death.

So revealing were the tapes that spectators and reporters in Courtroom 6-1 sat in open-mouthed disbelief, while the victim's mother and father, Donna and Doug, were conspicuously absent. The showing of the French tapes concluded five days of video evidence—played up to three times each for the 10-member jury, while the public heard only the audio portions. Bernardo's collection of home-made horror movies included sexual assaults on Mahaffy and two other young victims. Hanouka, 34, told under oath that French, who was allegedly drugged by Bernardo and Hanouka and subsequently died from choking on her own vomit and a fourth teenager, known only as Jane Doe, who survived and may testify against Bernardo. By the end of last week, the Crown had moved on to evidence that was drier and more clinical but no less gruesome—showing what happened to French and Mahaffy once Bernardo turned the camera off.

The key witness was the coroner who performed the autopsies. Dr. Noel McKelvie. Both girls, he said, had been badly beaten. French's injuries included deep bruising around the head, face, back, chest and ribs. They caused internal bleeding, which

left unattended, could have been life threatening had she not been strapped first, possibly with an electrical cord snared from the St. Catharines, Ont., home that Bernardo and Hanouka shared until early 1983. Despite the Crown's contention that Mahaffy was also strangled, McKelvie said he was unable to determine what caused her death in June, 1981, because her body had been cut into 15 pieces.



**Mahaffy (left) and French, both the terror and pain, heart-breaking glimpses of typical teens**

remained in concrete and damaged a rib. McKelvie also revealed that, as part of the overall investigation, he performed an autopsy on Tammie Hanouka in July, 1989 after her body was exhumed. Among the photographs, jewelry and other personal belongings of Tammie's found in the coffin was a coin, which on a crown-colored card was embossed with the names Mr. and Mrs. Paul R. Bernardo. "I love you, Tammie," wrote Bernardo. "I always have and will I miss you so much and my life will never be the same now that you're gone. If I ever caused you any harm or pain, Tammie, please forgive me. I only wanted the best for you, just for you to be happy and to experience the joys of this world." On the same note, Hanouka wrote: "I love you deeply and will hold you in my heart forever."

But it was the tapes that prevailed the most haunting evidence. As described by Crown witnesses, the French sequence shows the athletic, Grade 10 student—in some scenes wearing her school uniform; a Mickey

Moose sweatshirt and a silver ring bearing the initial of her boyfriend's first name—being forced to participate in degrading sexual acts with both Bernardo and Hanouka. The accompanying dialogue reveals both her innocence and her agony. At times, she is uncertain how some acts are performed, and expresses concern that she might be harming Hanouka. Elsewhere, French is forced to utter scripted lines clearly aimed at satisfying Bernardo, and fulfilling his fantasies. One particularly harrowing segment, lasting 35 minutes, ends with Bernardo holding the teenager and demanding that she express her love for him. She blurts out the words "I love you" in a tone suggesting resignation and revulsion. When he instructs her to keep going, she repeats the phrase 26 times, in rapid succession. In other taped segments, she refers to him as "master," calls him "the most powerful man in the world," and tells him she hates her boyfriend.

The videotapes involving Mahaffy are equally disturbing. In one scene, Bernardo tells the 14-year-old teenager, who was abducted near her family's Burlington, Ont., home early on the morning of June 15, 1981, to engage in sexual talk while she touches her genitalia. But she discourages him by responding in a sheepish and halting voice. "I don't know what to say." Later, when Bernardo asks what her interests are, she replies: "If the spending time with my friends. Even in her last taped conversation, as she sobs and pleads for her life, the words are those of a child. "I'll never double-cross you," she promises her avoyer.

Shocking as they are, the videotapes of French and Mahaffy last just over three hours, while the murder scenes were tape shown for nearly 56 hours. Crown attorneys plan to provide the jury with an account of what happened while the camera was turned off by telling their star witness—Katie Hanouka—possibly in early in June 18 Hanouka, now serving concurrent 12-year sentences for manslaughter in the deaths of French and Mahaffy is expected to describe in detail their last agonizing moments—and put the blame squarely on Paul Bernardo.

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## PEOPLE

### BEING HER OWN INTERPRETER

At age 31, singer Billy Cole has already been touring professionally for 12 years. As a result, says the Cape Breton-born singer, bookkeepers for her annual jazz stylings, travel has lost its gloss. "We go to so great places, but then I get to come home, which I always look forward to," she says. Despite those reservations, Cole is cur-



Collecting  
jazz love  
money

rently on tour in Japan, where she is one of that country's most popular performers. Her record sales there have topped a phenomenal 200,000 copies, and her tours are among the five most requested songs on radio. This summer, she will tour Canada to promote her fifth and latest cd, *Triplettes*, an extensive collection of Tim White's ballads, including *Jesus Girl* and *I Wish You Were Gone*. Cole says that she decided not to discuss her interpretations of White's music with him. "I wanted to do his songs in my way," she says, adding that now, however, "I wouldn't mind hearing what his opinion is."



Definitely (left), Sherry Boone's Cynthia Rossini, best musical address: wins

### A SWEET WIN

He is the only Canadian ever to bring home the two top Tony Awards—Broadway's highest honor. And for entertainment mogul Garth Drabinsky, having his production of *Shogun* about life on the Mississippi River in the Old South, win the award for best musical revival in New York City last week must have been especially sweet. Throughout the show's run in Toronto, where it opened in 1993, several extremist groups attacked it for its portrayal of blacks. Drabinsky, who also won a Tony Award for best musical in 1993 for *Kiss of the Spider Woman*, has always defended *Shogun*, calling the 1927 musical a historical artifact. Last week, Drabinsky said he felt that the Broadway production was 30 years ahead of the times at the Tonys vindicated the show. "Now that *Shogun* has swept through these awards and is attracting capacity audiences," Drabinsky told *Montreal's*, "all of the trouble we had is forgotten."

### SHAKING UP THE SET

In the action-packed closing scenes of the movie *Conan*, which opened last week across North America, the Vikings' region near central Africa erupts into a raging volcano and a dramatic earthquake. In fact, most of Mother Nature's violent display was filmed on a Hollywood studio lot and in miniature. But when actual locations for the movie, director Frank Marshall experienced the real thing: a quake of 6.2 on the Richter scale hit Uganda, the country's biggest since 1964. "You're not supposed to step outside during an earthquake, but I did," Marshall says. "I thought I was dreaming." Even though Marshall and his crew survived the quake, logistical problems in Uganda prompted them to continue scouting locations. For background shots, they found a suitable volcano at Costa Rica, 938. Marshall, who directed *Alive*, about a group of South American rugby players who crashed in the Andes, says that getting shaken up has not deterred him from continuing to shoot on location. He explains: "Just like to get out of the office."



Marshall: "I thought I was dreaming."



### GETTING IN CHARACTER

After *Gilmore*, Keith Renzie says that even before he auditioned for the part of a draftsman in the murder-mystery movie *Parasomnia*, he felt closely connected to the character. "The audition was about a half-hour walk from where I was staying," says Renzie. "I had received the script late, had to

rennie: an outdoor setting off a chain of events

borrow a western shirt to wear and was walking along the side of the road when I realized that the weirdo I was being had a lot to do with the fact that I understood this guy." Producers of the movie, to be broadcast this week on Global TV, clearly recognized his affinity for the part: they cast Renzie, 34, on the spot. In the movie—adapted from the 1957 stage play *The Playboy of the Western World*—the playboy, Casey Malone, a charismatic insider, who sets off a chain of events when he shows up in a small Saskatchewan town. The Vancouver-based Renzie adds that he also finds himself playing working-class types. "They just seem so 'in me,'" Renzie says. "They're not typically what you would consider the leading man." And, he adds with a laugh, "they hardly ever get the part."

Edited by BARBARA WICKENS

## MACLEAN'S CONGRATULATES

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# The masks of a great pretender

At 75, William Hutt still treads the boards brilliantly

BY JOHN REMBOISE

**T**he white Collar sits angled beside the big Victorian house on lower plates stamped with the name of the man who lives inside: WM HUTT. There is an irony here, because—of all the 20,000 offshoots of Stratford—this—William Hutt is probably the least in need of many plays to identify himself. The actor turned actor, who has decades less than a majority of the Stratford Festival, is something of a fixture around the town, whether appearing marionettes at the Church Restaurant or strolling on the paths beside the Avon River. Yet the plays are more than just the expression of an actor's ego. They reflect the groundbreaking ambition of a man who, more than 40 years ago, made up his mind to become a star of the classical stage—and what was considered impossible at the time—do it by staying at Stratford.

Hutt not only succeeded but, having just turned 75, is still acting at the top of his form. In the current festival season, he shambles three major roles: Falstaff in Shakespeare's *The Merry Wives of Windsor*; diplomat Harry Keenwood in Timothy Findley's *The Stillest Love*; and actor James Tyrone in a repeat of last year's triumphant production of Eugene O'Neill's *A Long Day's Journey into Night*. "What Hutt is doing this season is incredible," laughs Richard Monette, who as Stratford's artistic director assigned Hutt those parts. "I wouldn't give this much work to a 40-year-old." Monette celebrated the actor's birthday last month with a party at which Hutt was presented with a book just published in his honor: *Masks and Faces* (Monette Press), an anthology compiled by theatre writer Keith Gornbein, says include to what one of its contributors, Canadian actor James Borden, calls "one of the English-speaking world's great stage actors."

Hutt opens his front door and rambles out to greet you. He has a friendly homeliness, rather mischievous face that would look right at home on Mount St. Helens. The actor is taller around the middle than he used to be, and carries his six-foot, two-inch frame with a shimmering imbalance. Behind the lenses of his aviator glasses, the blue eyes look fixed a little further. For someone used to the perfection of his stage presence, seeing him at home is a bit disconcerting. *My Gaiety* the Queen in bed, he seems slighter. He offers a tour of the restored house, pointing out his collection of art nouveau vases and ornate wall hangings. His manner is courtly, old-fashioned, but it's the penetrating barbs that catch—*"The God-given great voice,"* as Monette calls it.

Hutt wishes in a wing chair and asks permission to light up a cigarette. Taking a moment to contemplate the smoke's heavy workload, he admits that "no very damp days my knos do smell." Hutt also has a bad back, first acquired about 40 years ago when, acting in *The Merry Wives of Windsor*, he jumped into a laundry hamper and jolted his spine. Now he is coarcing with the wyes and once more dandling into the dory chairs. "So far, it's not too bad," he says, knowing the modern table beside him. He is particularly grateful to Monette, he says, for arranging the performance schedule to allow him as much rest as possible. "Every week, I get Sunday night, Monday and most of Tuesday all. That leaves

me doing six or seven performances a week, and that is manageable."

The talk turns to Hutt's long career. Unlike some great performers—Laurence Olivier, Christopher Plummer—who rose quickly to stardom, Hutt took many years to grow out of his early awkwardness. He was over 40 before he earned his first major role at Stratford and even then, he admits, he had much to learn. "I was as hesitant as most young actors," he recalls, "but I came to realize that when it comes to an actor, there is no 'it is'." To illustrate the point, he draws out a few of Lady Beatrice's lines from Oscar Wilde's *The Importance of Being Earnest*, infusing them with layers of dry innuendo and self-deprecation.

Hutt raised eyebrows when he played Bracciolevi in 1975, but he is unimpaired in the role and now looks on it as a kind of watershed. The actor claims to have learned nothing from Bracciolevi, whose lady lordship he added to Hutt's own commanding might, made it difficult for him to move with awkwardness. Hutt recalls how he got some unexpected help from U.S. politician Edward Brooke, who in a TV interview said he never spoke unless it improved on silence. "I took that step further in my mind," Hutt says, "and now I don't believe in moving onstage unless it improves on silence."

Hutt's onstage stage presence can make him seem more real as any actor standing near him. His friend and biographer, Gornbein, has



**I**n *The Merry Wives of Windsor* with Chick Auld and Trevor Seattle (left), an early 1980s publicity shot. "You were at home on the stage than I am in any other home"

Admits Hutt: "I don't pretend I've not had failures in my life that have hurt me deeply. I don't care." But it is an attitude of faith with him that an actor with one weak experience to enhance his performance.

Born to journalist Edward Hutt and his homemaker wife, Caroline, in Toronto in 1928, William was the middle child of three—a sensitive, somewhat lonely boy who during his teenage years realized that he was homosexual. Gornbein's 1988 biography, *William Hutt: A Theatrical Portrait*, leaves no doubt that this was a defining event in Hutt's life at a time when homosexuality was very much a taboo subject, it cost him a secret identity, reinforcing the sense of isolation people have often remained a lie.

Hutt first acted in high school, but his passion for the stage did not fully flower until the Second World War, when, as a Canadian serviceman in London, he watched stars like Tyrone and Laurence Olivier perform in *Antony and Cleopatra*. "I was just fascinated," he recalls. "They seemed so real

to me." Hutt saw actors arrive as a made-in-the-European battlefield, wearing a decoration for his courage under fire. "Seeing that young blood spread over the fields of Italy and France, I became cognizant of the value of the individual soul," he says. "And it had a great effect on my feeling about the rules I play." Each of his roles, he explains, has its own unique soul. "I don't want to be similar there in any way. They are very different to me, each and every one of them."

After the war, Hutt earned a BA in humanities at the University of Toronto, grew up to struggle for several years to establish a career in a country where the phrase "great play" was more likely to recall Becket, Richard than William Shakespeare. Then, in 1958, a young journalist named Tees Petersen launched the Stratford Festival. "I thought he had to look up Stratford, located 140 km west of Toronto, on a map. But that night, he came and served about a decade-long apprenticeship in minor and supporting roles. His knowledge came in 1962, when he played Prospero in Shakespeare's *The Tempest*. His playing placed a new standard. Hutt noted the great verse not in the phony British tones so many North American actors of the time affected, but with a Canadian accent enhanced by only a slight rounding of the vowels.

His performance was well received, and the following year he doubled cast and auditioned with him among independent portraits of Falstaff, the sleazy procurer in Shakespeare's *Twelfth Night* and *Comedy of Errors*. Over the next two decades, Hutt refused to demonstrate that he was not interested only in roles that enhance a romantic or heroic self-image. One of his greatest triumphs came in 1979, when he played the Fool in *King Lear*. Hutt instantly took the supporting role to Peter Onor's lead (in such that, their names had played even better). The British actor had been invited to Canada as a celebrity non-office actor, but it was Hutt's tragic death—banned from the stage—Gornbein later heard through the actors' grapevine that "William was quite shaken by Bill Hutt's greatness. He couldn't believe such an actor was here on this continent."

If Hutt is less well-known, even in Canada, than his achievements warrant, it is probably because he has made relatively few forays into film and television. Yet clearly he is at home in both media: one of his finest performances was as a booby Sir John A. Macdonald in the 1974 CBC production *The National Dream*. His portrayal elicited a flood of letters, including one that began, "All the drawbacks of civil life you worship you."

Hutt has played more than 200 roles, achieving greatness in several, and in brief visits abroad he has acted in London and New York City with the likes of Dame Sybil Thorndike and Sir John Gielgud. He has also worked in a dozen theatres, particularly at Stratford, and at Theatre London (now called The Grand Theatre), in London, Ont., where he was artistic director in the late 1970s. Yet success does not in itself make William Hutt content. As he sits smiling in his wing chair, that must accomplished of actors seems a little brutal and out of place, as though he were two huge worms for the hundreds of ordinary life. It is not surprising to learn that he once told Monette, "You know, I'm more at home on the stage than I am in my own home." His closest to work Laure and Pats and Lady Beatrice, making those extravagant, life-giving characters ring true. □

Scene from *The Country Wife* showing moral vacuum behind the merriment

## Darkness and light

*Stratford masters the comic and the tragic*

It is one of the selectest facts of theatre history that the vast majority of actors who take up Shakespeare's great tragic roles come off second best. Their failure to inhabit the tragic reality of Lear and Hamlet and the others only makes Scott Wentworth's Macbeth all the more extraordinary. For the past few seasons, Wentworth has risen slowly through the ranks of the Stratford Festival company. Last year, he played a dastardly meeting hags in *Gilderoy*. But even that performance did not foreshadow the single-minded fury with which he has seized on Shakespeare's murderous Scot, and made his own. That performance is the crown jewel of the fine new productions that have opened the new Stratford season. (Four more works will be presented before the festival ends on Oct. 25.)

Right from his first appearance, Wentworth's Macbeth is clearly a man for whom killing is almost second nature. That is a bewitching from his recent excitement to battle he clearly despises the messengers who suddenly arrive to tell him that he has been made Thane of Cawdor. And yet his explosive physicality is balanced by a conscience just as powerful, after he has killed his own king, Duncan (Richard Carle), for having secured an immense rage through him is lower at self-justification. For all his violent personality, this Macbeth is also pained in his moral agony. He looks up at his actors, as if wanting to drown his bloody hands.

While Wentworth's voice is darker and more terrifyingly penetrating than those of many leading Shakespearians, this is all to

his advantage in Macbeth, where it becomes a kind of second weapon, slashing and thrusting its way through the thickets of the verse. Yet it can also soften, just enough, to accommodate the slow, exhausted tenderness of the great "Tomorrow and tomorrow" speech.

Scott Wentworth has fast-paced a life, fiercely capable Lady Macbeth, although in sheer force she cannot match Wentworth. Doree Berio and Wayne Best, meanwhile, are excellent in the crucial roles of Lear and Lady Macbeth. It is the scene where Macbeth's bewitched wife, Lady Macbeth, and her children, director Mark Marston has created one of the most chilling depictions of mad over to appear on the Stratford stage. But much in this production is disappointing. Several of the lesser roles are unconventionally spoken. And Marston's feminist embroiling of the witches (they seem more like dried priestesses than wicked hags) saps them of much power.

The opening *As You Like It* also includes Shakespeare's comedy *The Merry Wives of Windsor*, directed by Richard Macrae and Andrea Cimolao, and starring William Hall as Falstaff—in the first of three *as you like it* is undertaken this season. The directors have set this tale of seduction and revenge in the

Victorian period—wide casting that's Falstaff, with his nobly set top hat and red waistcoat, seem like a holdover from the earlier, more festive days of the Georgian. This allows the great-to-fair bottom to appear as even more of an outsider than he usually is, and provides Hall with several opportunities for pathos. And though the actor occasionally indulges in showing off his golden voice a little too much, the scene in which he returns back to his lodgings after having been dumped in the river is a case of understated comedy.

Too much in the production, however, is overstated. It tries so hard to convey gusto and excitement that it frequently spins right out of focus. There is too much frenetic motion, and there are too many comic gags involving an opulent curious clock and sleeping misadventures. It takes a strong actor to establish his presence in this madhouse: one of the few who manage apart from Hall, is Stephen Guimette, whose inspired wordplay as the fiery Doctor Caius is beyond identity.

High spirits of a different sort animate Stratford's disciplined production of *The Country Wife*, a restoration comedy by William Wycherley. The play satirizes a society in which spouses habitually cheat on each other and delight in lying about it afterward. Director Douglas Campbell has spun the moral vacuum behind the merriment, and emphasizes it in short-hand words. He has placed rhymeries (verses) (repeated) on the body of the play's arch seducer, Mr. Hamer (Tim McGinnis). And he has cast an extremely young-looking actress, Megan Dods in the role of Mrs. Pinchwife, the country wife—a device that makes her corruption by city values all the more scorching. A half-dozen actors give outstanding performances, led by McGinnis, whose cynical, repulsive Hamer is the last word in sleazebag. And Wentworth, as the role of the grumpy suspicious Mr. Pinchwife, shows that he has abundant comic talent, too.

With designer John Labrec's decision skill at overwriting human and costumes, the *Country Wife* makes partisan look attractive. Finally, both of Stratford's new musicals—Gilbert and Sullivan's *The Gondoliers* and Sandy Wilson's *The Beggar's Opera*—are superb. Both are directed and choreographed by Bruce Macdonald, who has brought his singers and dancers to a state of exuberant perfection. Between such inspired fidelity and the gracelessness of Macbeth, there is a middle ground of lightness. Few companies anywhere could equal Stratford's smidgen of both.

JOHN BENOISE

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Dianne (left), Welton, Douglas: refreshingly cool among the deluded characters

## FILMS

# Off-kilter capers

Now that the air-conditioning is on in the movie theaters, screens are filling up with hot-blooded summer movies about killer subs (Cronos Zulu), killer gorillas (Congo) and guerrillas in kilts (Braveheart). But for viewers looking for something cooler, there are alternatives. Two independently produced American features have traveled into release this month with little fanfare. *Search & Destroy* and *The Underneath*. Both are stylish intrigues with the heightened mood—and satirical sense of humor—of film noir. Both have bizarre plots limited with eleven-hour twists. And both are about gamblers who reluctantly cross the line into the underworld to break a losing streak.

*Search & Destroy* sounds like an action movie, but the title, like almost everything else about it, is deceiving. This is one of the most stylishly off-kilter American movies to come along in a while. Its cast includes Dennis Hopper, Christopher Walken and John Turturro—three men who play vesicles better than anybody in the business. While they all portray psychobills of some description, Hopper's character is actually the sonnet of the bunch—which indicates just how twisted the subtext is.

The film's sophisticated pedigree reflects Manhattan, not Hollywood. Gotham grandfather Martin Scorsese serves as executive producer, and the movie's honor director is

prominent New York City artist David Salle, who makes an enigmatic feature debut. Based on Howard Sandler's 1990 play, *Search & Destroy* stars Griffin Dunne, who reprises the role that he originated onstage in New York. Dunne is getting better-known for starring in *After Hours* (1986), a *Killscope* comedy about one man's nightmarish odyssey through the downtown of Manhattan's Soho. In *Search & Destroy*, he plays a similar role, that of a hapless entrepreneur named Martin, who becomes a victim of surreal circumstances. But Martin also resembles another Scorsese character—Rupert Pupkin, the deluded comedian portrayed by Robert De Niro in *The King of Comedy* (1983).

Like him, Martin is a shameless self-promoter. In the opening scenes, when an Internal Revenue Service official (played by a deadpan Scorsese) tells him that he owes \$147,856 in back taxes,

he tries to explain that taxes "are outside my main focus." Martin is brash: He is pathetic. His wife (Rosanna Arquette) is ready to dump him. But he has a plan. Martin is obsessed with the selfish philosophy of a bruckner named Luther (Hopper), who hosts a late-night cable TV show. Determined to buy the film rights to Luther's novel, a disastrous adventure called *Daniel Strong*, he fires to Houston to track him down. After being rudely rebuffed by Luther's assistant (Elton Hight), Martin seduces the glibly recep-

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Scott (Ethan Phillips), who is keeping a script for a darker movie. On a whim, she takes Martin to New York, where he tries to impress Daniel Shree with the help of a psychiatric drug dealer (Wilson).

The characters are wonderfully detailed. As a motivational guru, Martin cannot only fly money, Roger Deveraux, but also. Wilson, the hair dyed jet-black, is a picture of smiling evil, cadaverously cool. And Terrence, as a motor-mouthed color head as a Howard Stern wig, is a scream. Director Salko, meanwhile, frames the action with a painter's eye, an odd settings that verge on the abstract—a squash court, an aircraft hanger or just a series of black panel walls. As a parody of chaotic evil, the film has some familiar echoes—of David Lynch's TV landmark, *Twin Peaks*, and of the weirdly cultish movies of Michael Jackson (*The Shape of Things to Come*). But the mood is more innocent. All it is a curious influence, *Swamp & Dogs* isn't really original.

The *Underneath* is word is a quieter way. Director Steven Soderbergh's fourth movie brings him back to the indie form of his celebrated first feature, see, his and

midnight (1999). It stars Peter Gallagher, who played the gliding lawyer in *Thin Red*, and is another tale of a man who returns to his southern home town and starts the sexual peace. Michael (Gallagher) is a painter who walked out on his wife, Rachel



Elliot (left) and Gallagher: a crime story with one too many twists

(Wilson Elliot), after making up a pile of debts. Returning home for his mother's second marriage, he decides to stay. He gets a job driving around cars. And he tries to win back Rachel, although she is now with a vicious nightclub owner named Tommy (William Fichtner).

While the ingredients are conventional,

the mix is unpredictable. The story spans among three time frames—flashbacks to Michael's old life, flash-forward glimpses of an unrequited love and the present. As the threads finally merge, the film turns into a crime story with one too many twists. But still then, it unfolds as a reliable melodrama in the classic, controlled style of his film.

Gallagher, who has made a career of playing jerks, shows a more sympathetic side in *The Underneath*. But he is still cast as a self-satisfied character, too good-looking for his own good. Muddled in relentless close-ups, the actor's handsome features—the pronounced nose, the heavy eyebrows—are so exaggerated that he seems to be wearing them. His makeup (black, mean-white), projects a mercurial mix of fear and cunning as the elusive Rachel. The one fat character is Michael's brother, David (Adam Trevis), a cop with a bad case of sibling rivalry. The *Underneath*'s real star, however, is its director: once again Soderbergh peeks back the surface of desire and finds the seeds of destruction.

BRIAN D. JOHNSON

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CONNECTING PEOPLE



# Score one for the angry white guys

BY ALLAN FOTHERINGHAM

And so the angry white guys chalk up another one. Belling on the wings of News, revving the muscles of Ralph, scowling feral and a new swagger in their stride, they have done the trick: out and got all those white mothers in one fell swoop.

It's Alberta East now, sitting on Lake Ontario, taking its lead from the God Emperor to the south, and the KKK revolution on the hill grade to the west. Toronto, no longer the leader, is now the follower, spang as nam/canada.

Convoy boats will soon return to Hightown, which when you think about it is only appropriate. Lawyers in gas-stripped suits will be seen in lockstep, not running for their mother's, but in line-dancing lewises their scars sear and forever etched as they get out their Remembrance of Slave Whitman and Huckle Snow.

Wisconsin, track my word, will have to install spittoons. And down Bay Street's narrow thoroughfare will be pickup trucks, with a shotgun in the rack. What for?

The triumph of the Common Sense Revolution was remarkable for its lack of common sense. Anyone who actually thinks the new premier can cut taxes by 30 per cent—as he promised—needs immediately to be taken out for a saline test. People, known as voters, will believe anything even if it is baloney—because baloney is a substitute for the real thing, as we students of natural history know.

It is entirely appropriate that the new premier of the biggest and most confused province of all is a former golf pro and proprietor of a nine hole. This is what angry white guys like to do—play golf with other angry white guys all day Saturday and sit in the clubhouse the day after to watch the skin business. And guess what? All of them will have members in a packed-on ski outfit.

The reason Toronto is confused is because it is no longer controlled by one bar. Those who sit at the Albany Club—where they still show videos the Internet Junction talks run up by Sir John A.—are not controlled by forces unleashed by News and Ralph.



Those who live at the Toronto Club and the York Club have informed that their late snowbirds in Marlborough where a tree has yet to sprout, and luckily named compounds on the suburban fringe where the votes are. The voters who put Mike Harris in power now number some 2.5 million in the suburban fringes that is a half-million umbrella gas Toronto to its lake. That is the population of Alberta.

They are the ones who don't like all those people of another color on the subway. Not to mention those damn welfare mothers. They, in a way, are like all the middle-class government workers and lawyers in Washington who run the city—and then sit window-free to the lady downers of Virginia across the Potomac and to Maryland so they don't have to associate with those they have left behind.

Virginia, the well-known remnant of the Old South, came to the help of the Common Sense Revolution: that was common sense.

sense. The federal Tories have for some years now at election campaigns have relied on the newest and shiest of Republican techniques. Computerized tracking of voter complaints, massive rallies to put down potential dissent—all the Republican findings have been executed in three. Maloney did not two majority governments.

The cross-border friendship that has produced one Mike Murphy, Virginia-based, to add the very realizable Harris, he was prominent in the failed Senate bid of Ollie North, the governor here, from Virginia. For Harris, he provided the same two hot buttons to press: crime and welfare.

Bob Rae, dead before the campaign started, sleep-walked through the entire season until the final days when it was too late, resembling for all the world a tired rock star in his farewell world tour. Perhaps Elton John. Perhaps Mick Jagger when he finally does take.

Lyn McLeod, the decent and confused Liberal leader who really should try a career closer to her talents, wandered all over the map like a lost explorer in the Sahara, forever searching in her purse for a compass.

A very clever and proper developer, not particularly conservative, confided before voting day that he was always suspicious of politicians who were too clever. He admired Trudeau at once, but wondered what that cleverness really accomplished in the end.

On the other hand, he is good, worthy old Roman-style gun had only two or three ideas—cash of them as doubt gleamed from Roderic's. Despite this, he just kept repeating them over and over and lasted eight years.

Mike Harris has never been in any danger of going to Oxford on a Rhodes Scholarship. The masses of details seem to guide him—as they do in a matter of fact Jean Chrétien who is just bored by them. Harris just knows that there are a lot of guys who like to golf every Saturday—some of them in suburban—and his Republican guns in the border jacket from Virginia told him the maple forests, KKK keep it simple, stupid.

And so Alberta East looks to its debatable future, taxes miserably reduced and a clock on, if not a golf course, on every golf. Toronto will drop its warden dropping off his elbow as developers from the man. The spittoons will flourish in Whitman's and the pickup trucks will rattle down. Bay Street, once usually getting stuck in the suburban fringes.

There's only one problem. Mike can do actually going to vote a white man. And then he's going to have to walk.

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